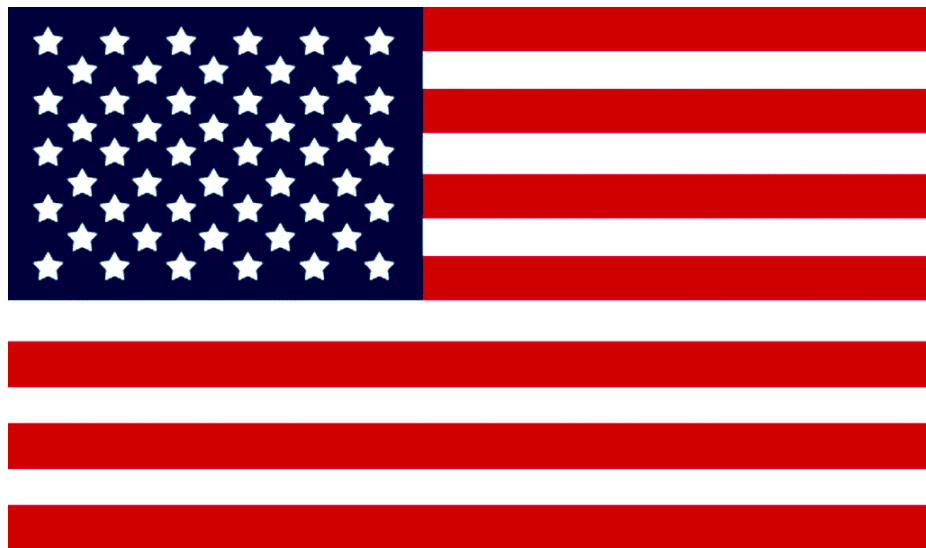




USAID

Office of Inspector General

Semiannual Report to the Congress



April 1, 2001 - September 30, 2001

USAID

Office of Inspector General

Semiannual Report to the Congress

April 1, 2001 - September 30, 2001



*U.S. Agency for
International Development*



October 31, 2001

The Honorable Andrew Natsios
Administrator
U. S. Agency for International Development
Washington, DC 200523

Dear Mr. Natsios:

It is with great pleasure that I report to you and the Congress the accomplishments of the Office of Inspector General as required by the Inspector General Act of 1978, as amended. This report provides a summary of audit and investigative activities conducted at the U.S. Agency for International Development (USAID), the African Development Foundation (ADF) and the Inter-American Foundation (IAF) for the period of April 1, 2001 through September 30, 2001.

During this period the OIG issued 309 audit reports with monetary recommendations valued in excess of \$35 million, closed 80 investigations, and achieved savings and recoveries of \$53.8 million.

The OIG and USAID management have continued to maintain a very productive and professional working relationship. This has been beneficial in the efforts of Agency management to address the major challenges that the Agency faces and for OIG to provide advice and assistance in overcoming these challenges.

Additionally, the OIG has continued to be welcomed in our "Pro-Active" approach to be involved early and provide vulnerability assessments, accountability options, fraud prevention initiatives and concurrent audits for all major new initiatives of the Agency. This has kept error rates low, provided early identification and correction of problems, and will ultimately minimize losses. We will continue this approach to the maximum extent possible, considering resource availabilities.

Finally, we appreciate the value that you have shown for the work that OIG performs. We remain committed to assisting the Agency in promoting efficiency and effectiveness of all USAID programs and operations.

Sincerely,

A handwritten signature in black ink, which appears to read "Everett L. Mosley". The signature is written in a cursive, flowing style.

Everett L. Mosley
Inspector General



October 31, 2001

Mr. Ernest G. Green, Chairman of the Board
Mr. Nathaniel Fields, President
African Development Foundation
1400 Eye Street, N.W.
Washington, DC 20005-2248

Dear Sirs:

I am pleased to report to you and the Congress the accomplishments of the USAID Office of the Inspector General with regard to the African Development Foundation.

The report is issued in compliance with the Inspector General Act of 1978, as amended. The Consolidated Appropriations Act (P.L. 106-113), dated November 29, 1999, assigned the USAID Office of Inspector General the audit and investigative responsibilities for the African Development Foundation.

The section of this report titled "Foundation Initiatives" cites the results of our audit and investigative activities conducted at the African Development Foundation for the period of April 1, 2001 through September 30, 2001.

As we continue to work with you in our role as Inspector General for the Foundation, we are looking for ways to expand our services to you to help improve the efficiency and effectiveness of Foundation operations. We have designed an audit strategy for both financial and performance audits, which we will be discussing with you in more detail as we implement it during fiscal year 2002.

I appreciate the assistance extended to my staff during our work with your organization and the Office of Inspector General remains committed to providing our professional expertise to helping the African Development Foundation improve the effectiveness of its overall operations.

Sincerely,

A handwritten signature in dark ink, which appears to read "Everett L. Mosley".

Everett L. Mosley
Inspector General



October 31, 2001

Mr. Frank Yturria, Chairman of the Board
Mr. David Venezuela, President
Inter-American Foundation
901 North Stuart Street, Tenth Floor
Arlington, VA 22203

Dear Sirs:

I am pleased to report to you and the Congress the accomplishments of the USAID Office of the Inspector General with regard to the Inter-American Foundation.

The report is issued in compliance with the Inspector General Act of 1978, as amended. The Consolidated Appropriations Act (P.L. 106-113), dated November 29, 1999, assigned the USAID Office of Inspector General the audit and investigative responsibilities for the Inter-American Foundation.

The section of this report titled "Foundation Initiatives" cites the results of our audit and investigative activities conducted at the Inter-American Foundation for the period of April 1, 2001 through September 30, 2001.

As we continue to work with you in our role as Inspector General for the Foundation, we are looking for ways to expand our services to you to help improve the efficiency and effectiveness of Foundation operations. We have designed an audit strategy for both financial and performance audits, which we will be discussing with you in more detail as we implement it during fiscal year 2002.

I appreciate the assistance extended to my staff during our work with your organization and the Office of Inspector General remains committed to providing our professional expertise to helping the Inter-American Foundation improve the effectiveness of its overall operations.

Sincerely,

Everett L. Mosley
Inspector General

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INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

The Inspector General Act of 1978, as amended, requires each Inspector General to submit semiannual reports to the Congress summarizing the activities of the office during the preceding six-month period. The twelve required reporting areas, as prescribed under Section 5(a) of the Act, are:

<u>Reporting Requirement</u>	<u>Page Reference(s)</u>
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EXECUTIVE SUMMARY

During the semiannual reporting period from April 1, 2001 through September 30, 2001, the OIG issued 309 audit reports with monetary recommendations valued at \$35 million. In addition, the OIG completed 80 investigations and achieved savings and recoveries of \$53.8 million. Because of continued aggressive actions by USAID management, as of September 30, 2001, there were no audit reports over six months old without management decision.

This report discusses the major challenges facing USAID, what USAID management is doing to address these challenges, and OIG efforts to provide assistance and advice. It also includes a summary of OIG efforts to expand accountability in the international environment through support for anti-corruption efforts, training, oversight of contractors and grantees, and other proactive steps. Significant audits and investigations conducted at USAID, organized by the relevant Bureau, are summarized in subsequent sections.

Pursuant to P.L.106-113, the consolidated Appropriations Act, including the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, the OIG has audit and investigative responsibility for the African Development Foundation and the Inter-American Foundation. Summaries of significant audits and investigations completed at these foundations are included in a separate section of this report.

HIGHLIGHTS OF SIGNIFICANT AUDITS AND INVESTIGATIONS

- ◆ An audit of USAID's monitoring of funds transferred under interagency arrangements identified significant management problems. The OIG found that USAID did not (1) establish adequate guidance to help managers identify the appropriate type of interagency agreement, (2) receive all the required reports from other agencies on the use of transferred funds, or (3) effectively manage the liquidation of advances provided to the Department of State and other federal agencies.

To address these problems, the OIG recommended changes to current USAID procedures for managing and reporting on interagency arrangements and fund transfers. In addition, the OIG recommended that USAID liquidate or recover \$30.5 million in outstanding advances under 60 expired interagency agreements. USAID management agreed with our findings and plans to implement all recommendations (see page 50).

- ◆ The OIG conducted an audit to determine if USAID had implemented an information systems security program that meets the provisions of the fiscal year 2001 Defense Authorization Act. The OIG found that while USAID had made significant progress, the Agency had not implemented an information systems security program that met the mandated requirements. To correct these weaknesses, the OIG recommended that USAID's Chief Information Officer (1) centralize security functions, (2) improve the current policies and procedures, (3) implement monitoring systems to ensure compliance with policy and procedures, (4) improve the incident response capability, (5) provide sufficient security training, and (6) require corrective actions for identified vulnerabilities. USAID management agreed with the report's recommendations and is initiating corrective action (see page 50).

- ◆ The OIG's long-term investigation of an international bid-rigging cartel, conducted jointly with the U.S. Department of Justice, produced several significant results:
 - A subsidiary of a major Swiss corporation pled guilty to rigging bids on a USAID-funded wastewater construction contract in Egypt. The corporation admitted to participating in a conspiracy to suppress and eliminate competition by rigging bids in violation of the Sherman Antitrust Act. As a result of the guilty plea, a one-count felony judgement was entered and, per the plea agreement, the Court ordered the corporation to pay a criminal fine of \$53 million.

 - A federal grand jury indicted a major U.S. construction company, a foreign affiliate, and the affiliate's former president on separate charges of participating in a conspiracy to rig bids on USAID-funded wastewater construction contracts in Egypt and conspiracy to defraud the United States. A second indictment was filed against another individual involved in the conspiracy (see page 37).

- ◆ In Ukraine, the OIG's investigation into allegations of embezzlement resulted in the termination of eleven Ukrainian employees of a USAID grantee. The employees used various tactics to defraud the grantee, including (1) altering wire transfer records to divert funds to non-existent vendor accounts located in several other countries, (2) submitting and approving phony grant proposals, (3) requesting and approving payments on expired grants, and (4) paying non-existent vendors. OIG auditors identified a \$375,888 loss as a result of the embezzlement scheme. USAID has issued a demand letter to the U.S. grantee organization seeking a full reimbursement of the loss (see page 42).

MAJOR CHALLENGES FOR USAID

The U.S. Agency for International Development (USAID) implements America's foreign economic and humanitarian assistance programs in accordance with foreign policy guidance provided by the Secretary of State. USAID manages a budget of approximately \$7.5 billion and advances U.S. foreign policy objectives by supporting:

- ◆ economic growth, trade, and agricultural development;
- ◆ improvements in global health; and
- ◆ conflict prevention, democracy, and developmental relief activities.

USAID also serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America, the higher education community and non-governmental organizations in support of shared objectives.

In pursuit of its mission, USAID faces a number of problems, concerns and difficult issues. This section updates the continuing efforts by USAID to address its major management challenges and OIG efforts to assist in overcoming these challenges.

INFORMATION RESOURCE MANAGEMENT

Over the past several years, OIG audits have identified significant weaknesses in USAID's management of information technology resources. Organizational and management deficiencies have slowed USAID's acquisition and implementation of effective information systems. Furthermore, USAID's management practices have kept the Agency from fully complying with the Clinger-Cohen Act of 1996, which requires executive agencies to implement a process that maximizes the value of information technology investments and assess the risks involved with these investments. As a result, USAID managers have not had access to financial information that is complete, reliable, and timely.

USAID faces three primary information resource management challenges: financial reporting and resource management capabilities, information resource management processes, and computer security.

MAJOR CHALLENGES FOR USAID

Improving Financial Reporting and Resource Management Capabilities

The information systems at USAID have not fully supported the Agency's planning and reporting requirements. Therefore, USAID managers have had difficulty consistently obtaining timely, reliable and complete financial and performance data. Even though USAID managers can mitigate the systemic weaknesses by generating individual reports on an *ad hoc* basis, the Agency's ability to routinely use financial information for decision-making purposes remains impaired.

To correct this weakness, USAID has deployed Phoenix, the core financial accounting component of a new integrated financial management and accounting system. The Phoenix system replaced key components of USAID's unreliable financial management system, the New Management System. The OIG has closely monitored the implementation of the Phoenix system; a summary of these activities is included later in this report (see page 5).

Improving Information Resource Management Processes

Over the past years, the OIG has reported that USAID's processes for procuring and managing information resource technology have not followed the guidelines established by the Clinger-Cohen Act. USAID management has acknowledged the weaknesses of its information resource management processes, and the Agency has made efforts to improve them. For example, USAID is incorporating performance measurements to enhance program management capabilities for monitoring and tracking information management projects. Also, the Agency is developing plans to seek independent certification that its practices meet commonly accepted government and industry standards. USAID efforts to comply with industry standards for complex information technology projects, such as the wide area renovation projects to deploy telecommunication services overseas, should result in faster, more efficient project implementation.

USAID's management and procurement of information technology resources will considerably improve with these actions. The OIG will continue to track and report on USAID's efforts to fully comply with requirements of the Clinger-Cohen Act.

Improving Computer Security

Recent OIG audits have confirmed that USAID does not yet have adequate computer security controls in place to mitigate the risks to critical information systems. These audits, however, have also identified substantial computer security improvements. For example, USAID's computer security framework

includes updated security policies, a security valuation process requiring certification by management, improved security training, and a risk assessment process. The Chief Information Officers Council and the General Services Administration recognized USAID's security program as an innovative and comprehensive approach that could benefit the entire Federal government.

Despite these efforts, more work is needed to ensure that sensitive data is not exposed to unacceptable risks of loss or destruction. As of July 2001, USAID had assessed the computer security risks at only 20 percent of missions, and agency-wide computer security had not yet been fully addressed. Also, during fiscal year 2001, USAID conducted assessments at nine overseas Mission Accounting and Control Systems (MACS) accounting stations and found that three MACS systems had not been finalized according to certification and accreditation requirements. Furthermore, USAID could better protect Agency information systems by developing capabilities to prevent, detect, respond to, and report efforts to obtain unauthorized access.

The OIG, through continuing audits and by monitoring USAID's Information Systems Security Working Group, will continue to work with USAID management to improve computer security.

FINANCIAL MANAGEMENT

Over the past several years, USAID has made progress toward resolving problems with its financial management system, and the Agency has committed significant resources for additional improvements. Despite these efforts, USAID's outstanding financial management system deficiencies remain a significant management challenge, and the solutions to several long-standing problems have been delayed.

Implementing an Integrated Financial Management System

OIG audits showed that USAID's financial management systems did not comply with the Federal Financial Management Improvement Act (FFMIA) requirements and were unable to provide complete, reliable, timely, and consistent information about Agency operations. To correct this situation, USAID is in the process of implementing an integrated financial management system using a combination of commercial off-the-shelf software products and third party financial service providers.

Phoenix, the core financial accounting component, will operate in Washington, D.C. and receive financial information electronically from the 38 overseas MACS accounting stations. While Phoenix has been deployed in Washington, the integration of overseas MACS accounting stations has been delayed. Pilot

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implementation of the system at two missions, scheduled to take place during April 2001, has not yet occurred, and estimates for the system's full deployment were changed from fiscal year 2003 to fiscal year 2007. According to USAID, the final schedule for full deployment of an integrated financial management system is under review as part of the Agency's capital planning process, and deployment timeframes will be adjusted according to USAID's information technology and system security requirements.

In the meantime, USAID has integrated Phoenix with automated or manual systems to receive field accounting data; according to USAID management, improvements to field data and reports will enable this system to be substantially compliant with FFMIA by the end of fiscal year 2003. The OIG will continue to monitor the deployment of the integrated financial management systems and will review USAID's interim efforts to comply with FFMIA requirements.

Correcting Outstanding Financial Management System Planning Deficiencies

Recent OIG audits reported that USAID had made significant improvements to its financial management system planning. Those improvements included developing and implementing an agency-wide information technology architecture, financial management system portfolio, acquisition strategy, financial management system remediation plan, and a program management office to oversee the development of an integrated financial management system.

Despite these improvements, the OIG concluded that additional efforts are needed to fully correct identified financial management system planning deficiencies. For example, USAID needs to improve its process so that information technology investments are prioritized and selected in accordance with OMB guidelines. Furthermore, the Agency needs to strengthen the authorities to manage financial management system projects to ensure effective day-to-day oversight of USAID's financial system modernization efforts. Finally, although USAID's current remediation plan has been updated to include remedies, resources, and intermediate target dates, the Agency has yet to meet those dates. The OIG will continue to monitor the Agency's progress in correcting these remaining financial management system planning deficiencies.

Reconciling Financial Data

During past audits, the OIG found that USAID's grant financial management system did not provide effective control and accountability over many of the Agency's advances. The OIG recommended that USAID reconcile the

unliquidated obligation amount for each grant transferred from its old legacy system to the Department of Health and Human Services Payment Management System. USAID is in the process of performing this reconciliation and has contracted with a private accounting firm to provide additional assistance in this area. According to USAID, this effort has improved the reliability of the advance balances that will be reported in the Agency's fiscal year 2001 financial statements. As part of the current Government Management Reform Act (GMRA) audit, the OIG is assessing whether this action led to improvements in the information reported in the Agency's financial accounting system.

Accurately Reporting Accounts Receivable

In a 1997 audit report, the OIG first noted that USAID could not adequately track and report its accounts receivable. To address this problem, USAID's new integrated accounting system will have the capacity to establish and report accounts receivable. When this system is fully implemented in Washington and at the missions, the OIG will review the resulting data to determine whether USAID managers are receiving reliable and timely accounts receivable data.

As an interim measure, USAID records accounts receivable as an adjusting entry to its year-end financial statements. As part of the current GMRA audit, the OIG is evaluating these efforts to ensure that they provide adequate information about the Agency's accounts receivable.

HUMAN CAPITAL MANAGEMENT

As a result of downsizing initiatives, USAID has experienced a 30 percent reduction in U.S. direct hire staff since fiscal year 1995. USAID's remaining workforce—the Agency's human capital—must be properly managed to ensure USAID's ability to fulfill its mission.

In January 2001, the U.S. General Accounting Office (GAO) reported that since the early 1990s, USAID has made limited progress in addressing human capital reforms related to personnel administration, career management, training, and foreign service assignments. According to GAO, USAID's human capital problems can be seen as part of a broader pattern of human capital shortcomings that have eroded mission capabilities across the federal government. USAID's specific human capital challenges include:

- ◆ a projected 57 percent of U.S. direct hire foreign service staff that will be eligible for voluntary retirement by the end of fiscal year 2005;
- ◆ a projected 32 percent of U.S. direct hire civil service staff that will be eligible for retirement by the end of fiscal year 2005; and

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- ◆ attrition rates estimated to be about 7 percent for foreign service staff and 10 percent for the civil service through fiscal year 2006.

USAID faces a steady decline in the number of experienced foreign service officers and employees who have specialized technical expertise. As a result, there are less-experienced personnel managing increasingly complex development programs.

Although these challenges are daunting, they also provide an opportunity for USAID to acquire a workforce with the necessary skills for the future. To address these challenges, USAID is planning to (1) hire 80 to 85 entry-level foreign service candidates per year through fiscal year 2005, (2) increase external training for upper-level managers through such programs as the Federal Executive Institute and the Foreign Affairs Leadership Seminar, and (3) recruit employees with critical skills in the areas of information technology, financial management, legal, and contracting.

Because human capital management is designated as a major challenge, the OIG is committed to continued audit work in this area. The OIG is currently evaluating USAID's (1) staff training and development, (2) management of the Agency's procurement workforce, and (3) human capital baseline data.

PROCUREMENT

USAID relies on its procurement workforce to award and administer the contracts and assistance instruments required to accomplish program objectives. A major challenge for USAID over the next five years will be to effectively manage the Agency's procurement resources. Specifically, USAID must address:

Staffing. USAID's Office of Procurement is losing experienced contracting officers to retirement, other federal agencies, the private sector, and transfers to non-contracting jobs within other USAID offices. According to USAID officials, the number of contracting staff as of the second quarter fiscal year 2001 decreased by 20 percent from the onboard levels at the beginning of fiscal year 2000.

According to USAID's fiscal year 1999 and 2000 budgets, USAID's procurement staff administered approximately 50 percent of the Agency's foreign assistance budget through assistance and acquisition instruments. In the Office of Procurement's fiscal year 2000 Federal Manager's Financial Integrity Act submission, the Director reported that as a result of workforce attrition, coupled with the inability to quickly fill vacant procurement professional positions, the Office of Procurement has

not been operating at adequate staffing levels. A major challenge for USAID will be to retain enough procurement professionals or to ensure the integrity and efficiency of the Agency's acquisition and assistance functions.

Contract administration. USAID requires its procurement workforce to manage a variety of contract award and administration activities. The staffing challenges USAID faces make it difficult for the procurement workforce to maintain the appropriate levels of contract administration to constitute sound business practice. As a result, USAID could be vulnerable to higher contract costs, delays in contract awards, an increased number of bid protests, as well as costly contract modifications and revisions.

Use of performance-based service contracts. For fiscal year 2002, USAID's goal is to use performance-based contracting techniques to award at least 20 percent of the Agency's eligible contracts over \$25,000. To achieve this goal, procurement specialists will be expected to have much greater knowledge of market conditions, industry trends and technical details of the commodities and services procured.

To help ensure the effectiveness of USAID's procurement operations, the OIG plans to evaluate various aspects of the procurement function. The OIG currently has underway audits of USAID's staffing of procurement officers, use of non-U.S. direct hire personnel to perform procurement functions, and the independence of procurement officers overseas.

PERFORMANCE MEASUREMENT AND REPORTING

The Government Performance and Results Act of 1993 (Results Act) requires agencies to set program goals, measure program performance against those goals, and report on their progress. As the OIG stated in a December 2000 letter to the U.S. Senate Committee on Governmental Affairs, USAID continues to have problems developing performance measurement and reporting systems that meet internal and external reporting requirements, including the requirements of the Results Act.

The OIG is continuing to monitor and recommend improvements to USAID's performance measurement and reporting systems. For example, in collaboration with USAID management, the OIG conducted a series of audits to test compliance with the Agency's performance monitoring guidance. These audits, summarized later in this report (see page 54), reviewed indicators appearing in USAID's Results Review and Resource Request (R4) reports and determined that the audited operating units needed to:

- ◆ improve their respective performance monitoring plans;

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- ◆ perform and document data quality assessments on indicators used for program management and reported in R4 reports; and
- ◆ disclose any known data quality limitations in the R4 reports.

In response to the OIG's audit reports, USAID has revised directives for performance monitoring, and has initiated Agency-wide training to improve performance measurement and monitoring.

The OIG is continuing to monitor and recommend improvements to USAID's performance measurement and reporting systems.

OTHER AGENCY CHALLENGES

Some USAID programs require rapid expansion and implementation to address immediate problems and may operate in nations where economic and/or political instability increases the likelihood of corruption. To ensure the effective use of U.S. funds, the OIG devotes considerable audit and investigation resources to such programs.

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY DISASTER RECOVERY FUND

The Central America and the Caribbean Emergency Disaster Recovery Fund (CACEDRF) was created in May 1999 to respond to the effects of Hurricane Mitch, Hurricane Georges and several smaller disasters in Columbia and the Caribbean. CACEDRF provides \$621 million to reconstruct damaged roads and bridges, rebuild homes and schools, repair and improve wells and sanitation facilities, improve the health status of disaster victims, and spur renewed economic growth. CACEDRF projects are underway in Honduras, Nicaragua, El Salvador, Guatemala, Costa Rica, the Dominican Republic, Haiti, and Colombia.

To determine what type of audit coverage would be appropriate and cost effective, the OIG performed risk assessments of each CACEDRF-funded activity. Higher-risk activities are covered by quarterly concurrent financial statement audits, while lower-risk activities are in



OIG Auditor Silvia Mejia talks to CACEDRF beneficiaries in the Dominican Republic.

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most cases covered by annual financial statement audits. All activities are subject to OIG performance audits. Currently, the OIG is managing 21 concurrent financial statement audits, 68 annual financial statement audits, and 13 internal audits on CACEDRF-funded activities.

OIG auditors inspect a water project in Haiti.



As of September 30, 2001, the OIG has issued 12 internal audit reports and 93 financial statement audit reports related to the CACEDRF program. The financial audits disclosed \$2.7 million in questionable costs, 119 reportable internal control conditions, and 128 instances of material noncompliance with agreement terms and applicable laws and regulations. Early disclosure of these problems when relatively small dollar amounts are involved should result in fewer problems during subsequent audits.

The OIG is taking proactive steps to ensure that CACEDRF funds are used properly. Specifically, the OIG:

- ◆ provides fraud prevention and detection training for personnel from USAID, contractors, grantees and host-government agencies;
- ◆ helps USAID design its activities to minimize vulnerabilities to fraud and corruption;
- ◆ helps USAID develop appropriate fraud prevention policies, including policies for financial disclosure, ethics, employee conduct, and fraud reporting;
- ◆ provides advice to USAID program managers concerning internal and external risks;
- ◆ evaluates the internal controls established through pre-award surveys and other audit activities; and

- ◆ coordinates its oversight efforts closely with the U.S. General Accounting Office (GAO), which is also involved in monitoring the program.

Given the size of the CACEDRF program and the short timeframe for implementation, the OIG continues to believe that the risks associated with the program are high. A continued, coordinated effort involving the OIG, USAID staff, and other stakeholders will help ensure that CACEDRF funds are well spent.

EL SALVADOR EARTHQUAKE RECONSTRUCTION

On January 13 and February 13, 2001, El Salvador was struck by major earthquakes that, according to El Salvador's National Emergency Committee, killed 1,159 people and destroyed or damaged more than 330,000 homes. Damage to schools, hospitals, water systems, and other infrastructure was also severe. Estimates place property losses at about \$1.7 billion.

USAID is developing and implementing a reconstruction program to rebuild homes and help restore the economic and social welfare of the rural poor most affected by the disaster. USAID funding is expected to reach approximately \$170 million, and the OIG has worked in collaboration with



*USAID-sponsored projects are helping
El Salvador recover from two major earthquakes.*

OTHER AGENCY CHALLENGES

USAID/El Salvador and other USAID offices to plan oversight measures to ensure that reconstruction funds are well spent. A risk-based approach will be used to establish prudent, cost-effective oversight mechanisms for each planned activity.

During negotiations with the Government of El Salvador and in the documents used to solicit proposals from contractors, USAID/El Salvador will emphasize the need for accountability and transparency. The OIG will also encourage participants in the reconstruction program to take specific, tangible steps to strengthen management controls to provide better service while reducing vulnerabilities to waste, fraud, and abuse.

In addition, the OIG is working with USAID/El Salvador and other USAID offices to develop appropriate oversight measures. In collaboration with USAID/El Salvador, the OIG will conduct risk assessments of each activity to determine which oversight measures would be cost-effective and useful. The risk assessments will consider (1) the performance record and audit history of organizations chosen to carry out reconstruction activities, (2) the type of activities to be implemented, (3) special implementation arrangements that increase or decrease risk, and (4) the amount of resources devoted to each activity.

Based on these risk assessments, USAID/El Salvador is putting into place appropriate oversight mechanisms, such as:

- ◆ pre-award surveys for recipients who do not have a recent performance history with USAID, or in cases where a recipient's financial management capabilities are not known;
- ◆ close supervision of reconstruction activities through (1) review of annual work plans, (2) meetings with implementing organizations and beneficiaries, (3) site visits, (4) review of vouchers supporting payment requests, and (5) review of periodic progress reports; and
- ◆ audits of USAID-funded activities, conducted in accordance with U.S. laws, regulations and auditing standards, by the Defense Contract Audit Agency, U.S.-based auditors, local accounting firms, and the Court of Accounts (El Salvador's Supreme Audit Institution, similar to the GAO). The OIG will supervise these audits and provide additional audit coverage where necessary.

Furthermore, the OIG is arranging for and supervising concurrent audits where risk assessments indicate that these would be appropriate. Auditors provide a quarterly opinion on uses of USAID funds, internal controls, compliance with agreement terms and applicable regulations, cost-sharing contributions, and the status of previous audit recommendations.

SOUTHERN AFRICA FLOOD REHABILITATION AND RECONSTRUCTION

The Congress has provided appropriations of approximately \$160 million for flood relief in southern Africa. The majority of funds are being provided to Mozambique and Madagascar to rehabilitate roads and railways, and to provide direct assistance to flood victims.



Contractor personnel verify a recipient's identity at Manica Province, Mossurize District.

The OIG is working closely with USAID to ensure these funds are used efficiently, effectively, and for their intended purposes. The OIG, in consultation with USAID's Africa Bureau, USAID/Mozambique, and USAID/Madagascar, developed an audit strategy that includes a combination of non-Federal and

OTHER AGENCY CHALLENGES

A woman receives her resettlement grant at Nhacole, Inhambane Province.



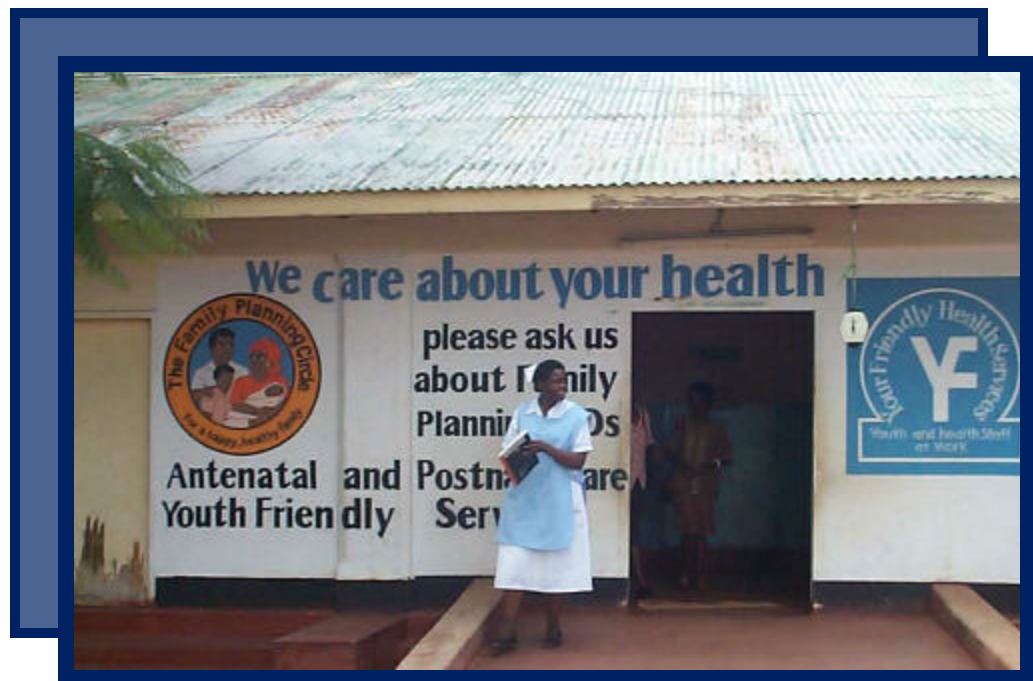
internal audits. This approach will help identify and eliminate corruption and fraud in the management, administration and distribution of the supplemental funding.

The OIG recently completed a concurrent audit of USAID/Mozambique's Resettlement Grant Distribution Activity. The audit showed that cash grants totaling about \$9.7 million were provided to 107,000 eligible families throughout Mozambique. Between December 2000 and April 2001, OIG auditors accompanied personnel from USAID/Mozambique and its Project Management Unit to flood-damaged areas in five provinces and directly observed the distribution of funds. The auditors provided on-the-spot recommendations to help facilitate the smooth distribution of cash to flood victims. A summary of this audit is included later in this report (see page 33).

HIV/AIDS

The HIV/AIDS pandemic is taking an enormous toll on many developing nations. In response, USAID funding for HIV/AIDS programs has risen dramatically over the past three years, increasing from \$142 million in fiscal year 1999 to over \$300 million in fiscal year 2001.

USAID is tailoring its programs for HIV/AIDS based on available resources and the expectations as to when a measurable impact might be achieved. Four countries designated as "rapid scale-up" countries will receive a



A USAID-sponsored health clinic in Livingston, Zambia offers diagnosis and treatment of sexually transmitted infections.

significant increase in resources for the expansion of prevention programs and the enhancement of care and support activities; measurable health improvements are expected within one to two years. In thirteen “intensive focus” countries and three sub-regions in Africa, Asia, and the Caribbean, resources will be increased and targeted to achieve measurable results—reduction of prevalence rates, reduction of HIV transmission from mother to infant, and increased support services for people living with and affected by AIDS—within three to five years. In the other countries receiving assistance, USAID will support host nation efforts to control the pandemic.



USAID-funded entertainers in Zambia develop songs and skits to inform the public about condom use and HIV/AIDS prevention.

In March 2000, USAID published a handbook that discusses standard indicators for monitoring and evaluating HIV/AIDS programs, and later issued draft monitoring and evaluation guidance that summarizes new reporting requirements. In March 2001, the GAO issued a report on USAID’s fight against HIV/AIDS in Africa, recommending that USAID select standard indicators, gather performance data on a regular basis, and report this data for analysis.

USAID is establishing a system to monitor and evaluate its HIV/AIDS program worldwide and to periodically report on progress toward achieving its goals. Although guidance for monitoring progress is still in draft form, missions are preparing to meet the new anticipated requirements. The system is designed to collect and report information on three levels:

OTHER AGENCY CHALLENGES

National Level Impact. By 2007, Sentinel Surveillance Systems in all USAID countries will report annually on HIV incidence rates to measure the overall effect on the pandemic of national HIV/AIDS prevention and mitigation programs.

National Level Changes in Sexual Behavior. Missions are expected to implement frequent (every three to five years), standardized national sexual behavior surveys beginning in 2001.

USAID Program Progress and Coverage. Missions will be required to report annually on progress toward achieving their HIV/AIDS program goals.

USAID is developing a list of about ten standard indicators that will be included under the new system. Missions will be asked to report on the indicators related to their individual programs.

The OIG has completed a pilot audit of the HIV/AIDS program in Zambia (a rapid scale-up country); a summary of this audit is included later in this report (see page 32). Audit work is planned for other rapid scale-up and intensive focus countries during fiscal year 2002.

INTERAGENCY COORDINATION

Many of USAID's overseas efforts require the transfer of budgetary resources to and from other U.S. government agencies. In some cases, funds appropriated to USAID are allocated to other agencies. For example, USAID allocated or transferred \$967 million of its \$6.9 billion in fiscal year 2000 appropriations to other Federal agencies.

The OIG periodically monitors funding arrangements between USAID and other agencies to help ensure that taxpayer funds appropriated for international development and humanitarian assistance are properly used for their intended purposes. In a recent audit, the OIG reviewed USAID's monitoring of funding arrangements with the U.S. Department of State and other recipients of USAID's interagency allocations and transfers. The OIG recommended that USAID:

- ◆ develop clear and centralized guidance for allocations and transfers;
- ◆ develop better procedures for identifying and obtaining from other agencies the necessary financial and performance reports;
- ◆ improve its procedures for liquidating advances under expired interagency agreements; and

- ◆ determine the status of \$30.5 million in outstanding advances associated with 60 expired interagency agreements.

A summary of this audit is included later in this report (see page 50).

The OIG will continue to periodically monitor USAID arrangements with other agencies to help ensure the effective and efficient use of Agency funds. The OIG will also work with the Inspectors General at recipient agencies to improve the monitoring of transferred and allocated USAID funds.

OTHER AGENCY CHALLENGES

EXPANDING ACCOUNTABILITY IN THE INTERNATIONAL ENVIRONMENT

Corruption and lack of accountability are major impediments to development and threaten to negate years of economic growth, especially in areas of the world beset by political instability. While audits and investigations provide one check against the misuse of U.S. taxpayer funds, the OIG actively promotes accountability and transparency in other ways as well by (1) participating in international anti-corruption efforts, (2) expanding the capabilities of Supreme Audit Institutions overseas, (3) providing fraud awareness training, and (4) providing oversight for audits of the contractors, grantees and foreign organizations that receive USAID funds.

PARTICIPATING IN INTERNATIONAL ANTI-CORRUPTION EFFORTS

In May 2001, the USAID Inspector General served as a member of the U.S. delegation to the Second Global Forum on Fighting Corruption and Safeguarding Integrity held at The Hague, the Netherlands. The U.S. Attorney General led the delegation, which included officials of the Departments of Justice, State and Treasury; the U.S. Office of Government Ethics; USAID; the U.S. Customs Service; and the Federal Bureau of Investigation. Representatives of non-governmental organizations concerned with this subject, including the American Bar Association and the U.S. Chamber of Commerce, were invited to join the U.S. delegation as public members.

For four days, participants at the Global Forum explored the best ways of realizing their commonly held objectives: putting an end to corruptive practices and further developing systems based on good governance and integrity. Participants included senior officials from numerous governmental bodies, representing 142 countries. Several intergovernmental and non-governmental organizations were also present.

In their final declaration, the delegates agreed that the highest possible degree of transparency in all aspects of government is essential to promote integrity and to fight corruption. Among other measures, the delegates called for:

- ◆ widely publicized and enforced legislation and procedures that provide the public and the media, in the best possible way, an optimum degree of access to information relevant to fighting corruption;

- ◆ government organization and procedures that reduce opportunities for corruption and create incentives for public integrity;
- ◆ efforts to create a supportive and safe environment for citizens, civil servants and employees who report corrupt practices, and the establishment of reliable and impartial institutions to handle these reports; and
- ◆ rendering assistance through the exchange of experiences and best practices to improve the effectiveness of anti-corruption strategies, both national and international.

The OIG's policies, procedures and worldwide operations fully support the principles and goals announced at the Global Forum.

EXPANDING SUPREME AUDIT INSTITUTION CAPABILITIES

To help ensure the integrity of USAID programs, the OIG works extensively with the Supreme Audit Institutions (SAIs) in recipient countries. SAIs are national audit organizations, and the officials who head them are usually independent of any other official or ministry. Like the U.S. General Accounting Office (GAO) or the OIG, SAIs perform financial or performance audits of government operations and ensure that public funds are spent for intended purposes. SAIs are usually the only organizations that have a legal mandate and authority to audit the accounts and operations of their governments.

In countries with USAID-sponsored programs, SAIs that demonstrate appropriate independence and acceptable audit capabilities can share with the OIG the responsibility for auditing USAID funds disbursed directly to government organizations. The OIG and USAID missions have signed Memoranda of Understanding with 17 SAIs worldwide to specifically define SAI audit and reporting responsibilities. During fiscal year 2001, the SAIs in Bangladesh, Guatemala, El Salvador, Peru, Honduras, Tanzania and Ethiopia completed a total of 20 audit reports related to USAID programs.

SAI Coordination and Training Efforts

To help SAI's fulfill their responsibility, the OIG often provides technical assistance and training. In Dakar, OIG auditors have frequent contacts with Senegal's SAI, the Commission de Vérification et de Contrôle des Comptes des Entreprises Publiques. The Commission is an independent organization within the Senegalese Government and is responsible for detecting and

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EXPANDING ACCOUNTABILITY

eliminating fraud, corruption and misuse of government resources. To reinforce the capabilities of the Commission, USAID/Senegal, in conjunction with the OIG, is providing financial and technical support, including computer equipment, printers, photocopiers, technical documents and reference materials. In July 2001, the OIG participated in a Commission training seminar on audit and investigation methodology.

The Thailand Office of Auditor General has completed fieldwork for an audit to determine if local currency funds generated by USAID programs were used as intended to (1) provide vaccines to children in several remote Thai provinces, and (2) fund a participant training program by the Thai civil service commission. The Auditor General is currently drafting a report on the program, which will be reviewed by the OIG.

In South Africa, the Office of the Auditor General is conducting its first audit of USAID funds provided to the Ministry of Justice under the recipient contracted audit program. The OIG has worked closely with the Auditor General's staff to develop an appropriate audit plan for these funds, and will review the final audit report to ensure that it meets appropriate audit standards.

In Honduras and El Salvador, the OIG continues to work with the respective SAIs to audit activities funded under the Central America and the Caribbean Emergency Disaster Recovery Fund program. In Honduras, the Controller General and the OIG are jointly supervising financial statement audits covering road and bridge reconstruction, water and sanitation projects, and school construction. In El Salvador, the Court of Accounts is performing a concurrent financial statement audit of road reconstruction and an annual



OIG Auditor John Nicholson briefs representatives from the Indonesian SAI on best practices for performance auditing.

audit of a project to reconstruct electrical distribution lines. The Court of Accounts will also perform two concurrent audits of construction activities financed under the earthquake recovery program.

OIG staff in Washington provided a briefing on performance auditing for visiting senior officials from the Indonesian SAI. The briefing covered several areas, including best practices, key performance indicators, audit agency procedures, and other matters related to government performance audit operations. This briefing provided a unique opportunity to assist in building a new working partnership between the OIG and its Indonesian colleagues.

FRAUD AWARENESS TRAINING

The OIG remains committed to a proactive approach to preventing losses before they occur, and continues to provide fraud awareness training to USAID employees, personal services contractors (PSCs), non-governmental organizations (NGOs) and grantees. The OIG's training was cited in the State Department's *Report to the Congress Pursuant to the International Anticorruption and Good Governance Act*. The following section summarizes the OIG's fraud awareness training efforts during the current reporting period.

April 2001

The OIG provided fraud awareness presentations in Bogota, Colombia, to 40 NGO employees involved in the management of USAID programs funded under Plan Colombia. In La Paz, Bolivia, the OIG gave fraud awareness presentations to 70 employees of the USAID Mission and NGOs working on USAID-funded programs in that country. In addition, in Cochabamba, Bolivia, the OIG conducted fraud awareness training for 60 employees of the Government of Bolivia and NGOs involved in the management of USAID programs funded under Plan Colombia.

May 2001

The OIG conducted four fraud awareness presentations for the USAID Mission in Kiev, Ukraine, and one presentation for the USAID/Moldova Mission. A total of 106 people attended the Kiev presentations, and 14 attended the Moldova presentation. The OIG also presented a fraud awareness training session at USAID/Senegal for 13 visiting U.S. Embassy and USAID employees responsible for managing and implementing special Self-Help, Democracy and Human Rights activities throughout West and Central Africa.

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June 2001

In Washington, D.C., the OIG provided a briefing on the OIG's mission and function to 20 SAI representatives at a meeting hosted by the GAO. The OIG also conducted a training session covering fraud awareness, employee integrity and the OIG's mission to five USAID Executive Officers who were being assigned overseas.



Special Agent Greg Picur conducts a fraud awareness training session in Tblisi, Georgia.

In Budapest, Hungary, the OIG provided a presentation, *Ethical and Legal Responsibilities of Activity Managers*, to 18 USAID employees and participated in a roundtable discussion on this topic with the Regional Legal Advisor, the Regional Contracting Officer and the Regional Controller. The OIG gave fraud awareness presentations to 25 people at the USAID Mission in Pretoria, South Africa. In addition, in Khabarovsk, Russia, the OIG conducted separate fraud awareness presentations for 20 NGO attendees and 10 Russian nationals via a Russian language interpreter.

July 2001

In Kenya, the OIG conducted a fraud awareness presentation for 60 USAID employees at the Regional Economic Development Services Office for East and Southern Africa. In addition, the OIG provided a fraud awareness presentation to 12 NGO attendees and 60 USAID employees in Ethiopia. The OIG also presented two separate fraud awareness training sessions to 18 employees of USAID/Nepal.

August 2001

In Bosnia, the OIG conducted two fraud awareness presentations for approximately 45 USAID employees. The OIG also provided fraud awareness

presentations for 45 USAID/Mozambique employees and ten senior managers from USAID grantees and NGOs based in Mozambique. In addition, the OIG gave a fraud awareness presentation to 21 employees of USAID/Zimbabwe. Further, the OIG presented fraud awareness briefings to 43 USAID employees and PSCs in Bucharest, Romania, and Pristina, Kosovo. Finally, the OIG conducted two fraud awareness presentations for 24 employees of USAID/Cambodia.



Special Agent Greg Picur conducts a fraud awareness training session in Kiev.

September 2001

The OIG presented a fraud awareness briefing to 69 people at USAID/Madagascar. In addition to USAID personnel, the audience included representatives from USAID contractors and grantees, including Chemonics, CARE and Catholic Relief Services. In Tblisi, Georgia, the OIG conducted three fraud awareness presentations for 117 people, including USAID employees, PSCs, and contractor and grantee officials. In Cairo, the OIG provided four fraud awareness briefings to 211 people comprised of USAID and PSC personnel.

In El Salvador, the OIG made presentations to 217 employees of 13 organizations that will receive funds under the Earthquake Recovery Program. These presentations addressed fraud prevention and included detailed information to help recipient organizations conduct self-assessments of their internal controls. In Dakar, Senegal, the OIG gave fraud awareness presentations to 64 USAID employees, PSCs and others.

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ACCOUNTABILITY OVER CONTRACTORS, GRANTEES AND FOREIGN ORGANIZATIONS

USAID is required by the Federal Acquisition Regulation, the Single Audit Act, Office of Management and Budget (OMB) Circulars, and its own internal policies and procedures to obtain appropriate and timely audits of contractors and grantees. The OIG provides oversight for these audit activities, ensuring that audits are conducted in accordance with appropriate quality standards and thereby enhancing the accountability of USAID grantees and contractors. Also, in accordance with provisions in USAID contracts and agreements, the OIG reviews audit reports of foreign organizations that receive USAID funds. The OIG further enhances the accountability of grantees and contractors by providing training in U.S. Government cost principles.

Audits of U.S.-Based Contractors

U.S. -based contractors carry out many USAID-funded activities. Since 1994, according to USAID, the Agency has requested audits, reviews or pre-award surveys on 395 separate for-profit contractors. The Defense Contract Audit Agency (DCAA) conducts this work for USAID; the OIG reviews DCAA's reports and transmits them to USAID management. During this reporting period, the OIG reviewed and transmitted 34 DCAA reports on U.S.-based contractors. These reports covered approximately \$104 million in costs claimed by the contractors.

Audits of U.S.-Based Grantees

U.S.-based non-profit organizations (grantees) also receive significant USAID funds to implement development programs overseas. As required by OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*, non-Federal auditors perform annual financial audits of USAID grantees that expend over \$300,000 of federal funds annually. These auditors are required to identify, in a separate schedule of findings and questioned costs:

- ◆ reportable conditions in the grantee's internal control structure over major programs;
- ◆ material noncompliance with the provision of laws, regulations, contracts, or grant agreements related to a major program;
- ◆ known fraud affecting a Federal award;

- ◆ known questioned costs greater than \$10,000 for an individual compliance requirement of a major program and known questioned costs that are greater than \$10,000 for a Federal program that is not audited as a major program;
- ◆ instances where audit follow-up procedures disclosed that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding; and
- ◆ the reasons why the auditor's report on compliance for major programs is other than an unqualified opinion.

The OIG provides oversight for the non-Federal auditors performing these annual financial audits. The OIG's major oversight responsibilities include:

- ◆ coordinating management decisions for audit findings that affect more than one Federal agency;
- ◆ obtaining or conducting quality control reviews of selected audits made by non-Federal auditors; and
- ◆ advising the auditor and, where appropriate, the audited organization of any deficiencies related to the performance of audits or the submission of audit reports that require corrective action.

The OIG reviews non-Federal audits to determine whether auditors prepared audit reports in accordance with Circular A-133 reporting requirements. The OIG also conducts quality control reviews to determine whether the underlying audits comply with Circular A-133 audit requirements. In some instances, the OIG contracts with DCAA to perform specialized financial audits of U.S.-based grantees.

During the current reporting period, the OIG reviewed and issued 19 non-Federal audit reports covering USAID funds of over \$829 million spent by U.S.-based grantees. In addition, the OIG completed three quality control reviews, covering about \$145 million in grantee expenditures audited by non-Federal auditors. Finally, the OIG issued 9 audits completed by DCAA, which identified \$297,000 in questioned costs by USAID grantees.

Audits of Foreign-Based Organizations

U.S. Government Audit Standards do not automatically apply to foreign-based organizations: contractors, host country government agencies and grantees. To maintain accountability in a high-risk overseas environment, provisions in individual USAID contracts and agreements include

EXPANDING ACCOUNTABILITY

requirements for audits of foreign-based organizations. For example, under the Recipient-Contracted Audit program, foreign contractors and grantees spending USAID funds of \$300,000 or more in any fiscal year are required to have those funds audited in accordance with Circular A-133 audit requirements. In addition, USAID or the OIG may request financial audits of expenditures less than the \$300,000 threshold, or may audit foreign-based organizations to address specific areas of concern.

Private accounting firms, host-country SAIs, or DCAA auditors conduct audits of foreign-based organizations, and the OIG reviews each report and issues letters to USAID and the organization summarizing the results. During the most recent reporting period, the OIG reviewed and issued 192 audits of foreign-based organizations. These reports resulted in \$3.9 million in questioned costs and 162 recommendations. The OIG also completed 11 Quality Control Reviews to ensure that the underlying audits were completed in compliance with appropriate audit standards.

Reviews of Enterprise Fund Audits

Enterprise Funds are U.S.-based nonprofit organizations established under the Support for Eastern European Democracy Act of 1989. USAID has established eleven Enterprise Funds; ten of these Funds invest in countries in Eastern Europe and Eurasia, and the eleventh Fund invests in South Africa. Enterprise Funds are subject to an annual financial statement audit performed by private accounting firms and reviewed by the OIG.

During this reporting period, private accounting firms conducted eleven Enterprise Fund audits, which were reviewed by the OIG to ensure that the audit reports complied with Government Auditing Standards. These audits covered approximately \$28.9 million in Fund expenditures. Also, the OIG performed detailed Quality Control Reviews of the underlying audits used to develop the Baltic-American and the Bulgarian-American Enterprise Fund audit reports.

Cost Principles Training

USAID's contracts and grants include provisions (cost principles) that define what types of costs are legitimate charges to support USAID programs. While the full text of these cost principles are contained in voluminous sections of the Federal Acquisition Regulation (FAR) and various OMB Circulars, there generally is only a single sentence in USAID agreements that refers to the applicable section of the FAR or the applicable Circular. To increase the awareness of—and compliance with—cost principles, the OIG has been presenting training to overseas USAID staff, contractors and

grantees. This training provides both a general overview of U.S. Government cost principles and specific real world examples, demonstrating concepts such as reasonableness, allocability and various specific cost principles (e.g., travel expenses, entertainment costs).

EXPANDING ACCOUNTABILITY

OIG Auditor Nate Lokos conducts a cost principles training session in Tblisi, Georgia.



During this reporting period, the OIG provided cost principles training to 40 persons in Bucharest, Romania, and 117 participants in Tblisi, Georgia. Those attending included USAID Mission staff, contractors, grantees, and representatives from the Government of Georgia.

AUDIT AND INVESTIGATION HIGHLIGHTS

Audit activities include conducting and reviewing financial and performance audits at USAID, the African Development Foundation, and the Inter-American Foundation. The following is a statistical summary of OIG audit activities from April 1, 2001 through September 30, 2001.

TYPE OF REPORT	NUMBER OF REPORTS	MONETARY RECOMMENDATIONS (\$ Thousands)
FINANCIAL AUDITS:		
USAID and Foundation Programs and Operations	6	142
U.S.-based Contractors	34	58
U.S.-based Grantees	28	239
<i>Quality Control Reviews</i>	3	—
Foreign-based Organizations	193	3,923
<i>Quality Control Reviews</i>	11	—
Enterprise Funds	11	—
<i>Quality Control Reviews</i>	2	—
PERFORMANCE AUDITS:		
Economy and Efficiency	20	30,672
MISCELLANEOUS REPORTS:		
	1	—
TOTAL	309	\$35,034

Investigations focus on programs and operations that are most vulnerable to fraud in activities of USAID, the African Development Foundation and the Inter-American Foundation.

Investigative priorities include program integrity (fraud involving contracts, grants and cooperative agreements) and employee integrity (misconduct of direct hire employees and personal services contractors). OIG investigations may result in criminal, civil or administrative action. The following is a summary of investigative workload and results during this reporting period.

WORKLOAD INDICATOR

Cases Opened	72
Cases Closed	80
Hotline Contacts	593

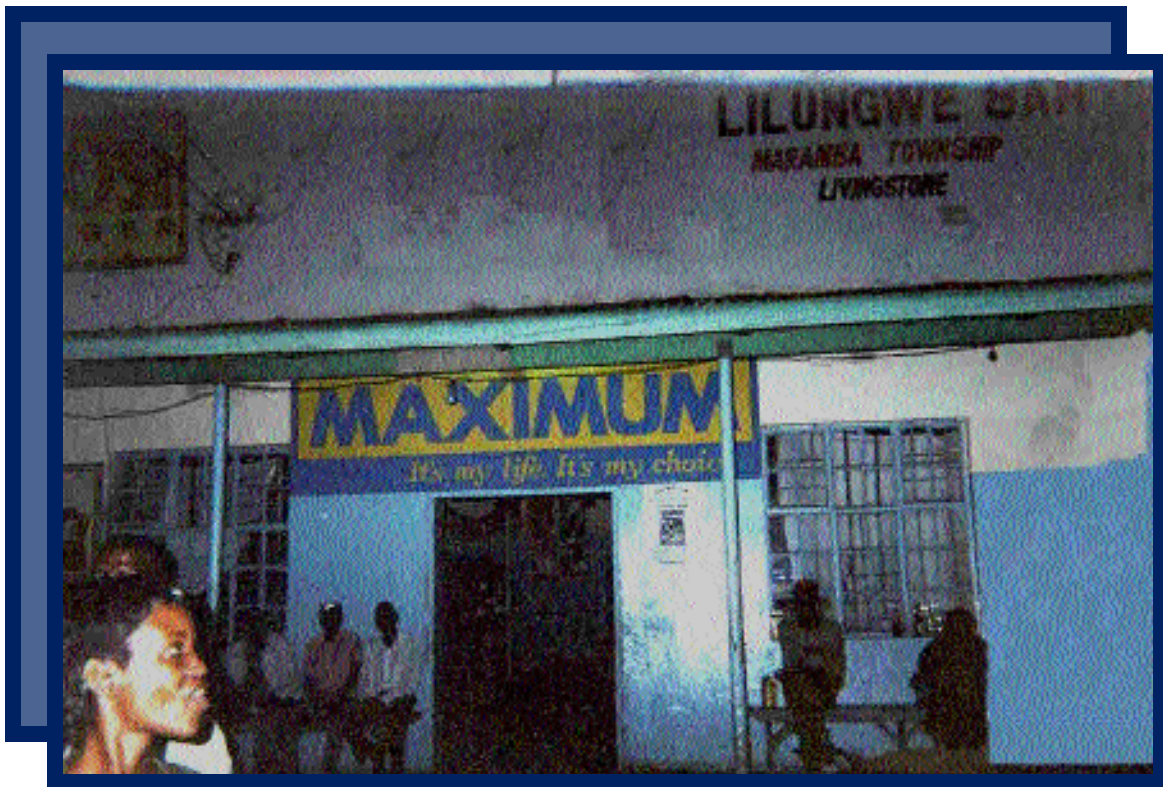
RESULTS

Recoveries and Savings <i>(dollars in thousands)</i>	\$53,789
Resignations & Terminations	20
Personnel Suspensions	4
Suspensions and Debarments	2
Indictments	8
Convictions	9

BUREAU FOR AFRICA

Audit of USAID/Zambia's Monitoring of the Performance of Its HIV/AIDS Program

This audit is the first of a worldwide series of audits to examine USAID's performance monitoring of its HIV/AIDS programs. USAID funding for HIV/AIDS programs has more than doubled from fiscal year 1999 to fiscal year 2001.



The USAID-sponsored social marketing program in Zambia seeks to increase condom use through signs and advertising.

To measure program results, USAID/Zambia uses three performance indicators—condom sales, condom use, and diagnosis and treatment of sexually transmitted infections (STIs). A review of the three indicators showed that the condom sales and condom use programs were achieving their intended results, while the STI program was not. The inability to obtain the intended results in the STI program appears to be due to circumstances beyond USAID/Zambia's control.

The OIG concluded that USAID/Zambia generally monitored performance of its HIV/AIDS program in accordance with USAID guidance, and that the Mission is well prepared to accept its new responsibilities for anticipated reporting requirements. However, the Mission did not always perform and document the results of data quality assessments, nor does the Performance Monitoring Plan address what the Mission planned to do to assess data quality.

To correct these weaknesses, the OIG recommended that the Mission (1) modify the Performance Monitoring Plan to describe actions USAID/Zambia will take to assess data quality and (2) perform and document data quality assessments for all HIV/AIDS indicators. The Mission is taking action to address these recommendations. (*Audit Report No. 9-611-01-004-P*)

Audit of USAID/Mozambique's Resettlement Grant Distribution Activity

From early February through May 2000, southern Africa experienced the worst flooding in a century. USAID/Mozambique's rural agricultural and commercial reactivation program uses the commercial banking sector to provide direct assistance to displaced families using host country-owned local currency deposited for joint programming. Approximately 107,000 families from five of the most flood-affected provinces of the country received resettlement grants of about \$100 per family.

A mother and child wait for a resettlement grant at Nhambende, Chibabava District.



To ensure that the resettlement grants were delivered to intended recipients, OIG auditors accompanied USAID/Mozambique and contractor personnel to selected distribution sites between December 2000 and April 2001. During these visits, the OIG observed distribution efforts and assessed field procedures and controls. The OIG found that, for those items tested, USAID/Mozambique and the contractor took the necessary steps to ensure that resettlement grants of approximately \$9.7 million were delivered to intended recipients in accordance with applicable agreements. (*Audit Report No. 4-656-01-005-P*)

Audit of USAID/South Africa's Recipient Audit Universe

USAID missions are required to maintain an accurate database of non-U.S. grantees and contractors that spend a minimum level of USAID funds during each fiscal year. Each mission should also arrange for periodic audits of these organizations by private accounting firms. Such audits, which are reviewed by the OIG, provide USAID reasonable assurance that (1) transactions are properly recorded and accounted for, (2) organizations comply with laws, regulations and the provisions of contract or grant agreements, and (3) funds, property and other assets are used for intended purposes.

During this audit, the OIG sought to determine whether USAID/South Africa's audit universe was complete and accurate, and if required audits of contracts and grants were completed in a timely manner. The OIG found that USAID/South Africa had developed a complete and accurate audit universe. However, because the Management Control Review Committee did not regularly monitor the status of outstanding reports, 13 of the 29 required audits were not done in a timely manner. Moreover, the Mission had not established an audit management program in accordance with USAID requirements.

The OIG recommended specific actions to correct the identified problems. USAID/South Africa concurred with our findings and took appropriate action. (*Audit Report No. 4-674-01-004-P*)

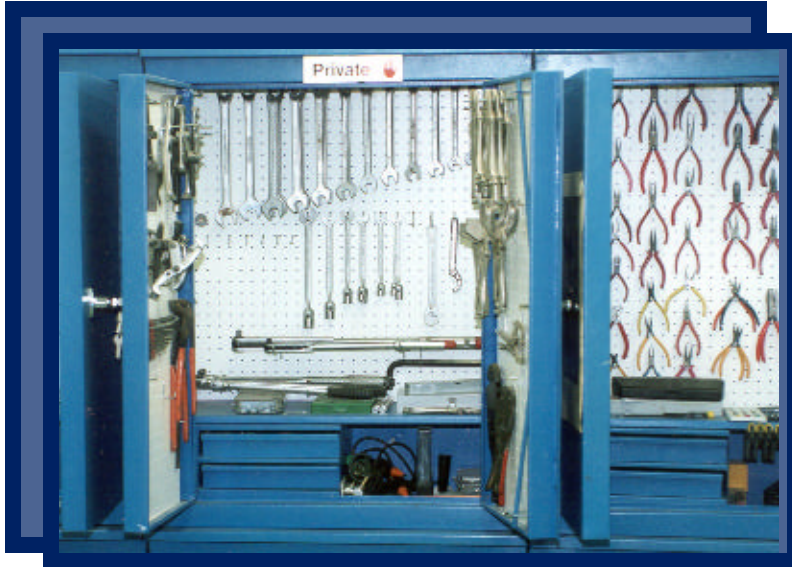
Audit of USAID/Regional Center for Southern Africa's (RCSA) FY 2000 Financial Operations and Controls

The OIG conducted this audit as part of a worldwide effort to review USAID's fiscal year 2000 financial statements. To ensure that the reported financial data was accurate and reliable, auditors reviewed selected financial controls related to the Mission Accounting and Control System.

The OIG found that USAID/RCSA's fiscal year 2000 financial data relating to accruals and projects were accurately stated and adequately supported. However, the OIG identified weaknesses in the reconciliation and reporting processes. USAID/RCSA concurred with the audit findings and conclusions, and is taking action to correct the identified weaknesses. (*Audit Report No. 4-690-01-002-F*)

Investigation Results in Termination and Conviction of FSN

A USAID/South Africa Foreign Service National (FSN) employee was terminated for cause after an OIG investigation found that the employee had embezzled funds through fraudulent procurement transactions. A joint investigation with the Regional Security Office, American Embassy/Pretoria, determined that the FSN had embezzled USAID funds by awarding purchase orders and blanket purchase agreements for repair and maintenance work to fictitious companies. No services or supplies were actually provided, and the investigation determined that \$279,904 was disbursed to the three fictitious companies from 1996 until 1999.



Stolen USAID tools found at an FSN's residence.

In addition, the subject, who had been the General Services Officer, stole an undetermined amount of equipment supplied to USAID by legitimate vendors. The FSN paid back \$9,100 and returned equipment valued at \$39,605, leaving a loss to the government of \$231,199. The case was referred to local authorities, and in March 2001, the FSN pled guilty and was

Stolen USAID tools and equipment were found at this scuba school.



convicted on four specific counts of fraud before the Specialized Commercial Crime Court in Pretoria. The total amount of fraud admitted by the FSN was approximately \$25,000. In April 2001, the FSN was sentenced to three years house arrest and ordered to provide community service. This individual also received a suspended jail sentence of five years. The Mission will explore the possibility of civil legal action against the FSN to recover additional funds.

Investigation Results in Bill for Collection

The USAID Office of Procurement reviewed a proposed grant recipient in Kenya and found that the organization had an inadequate accounting system. Further, the review determined that the organization could not support expenses claimed under an earlier grant of \$50,000; vendors had either not been paid or had not performed the work claimed. An investigation by the OIG confirmed that false invoices had been prepared to cover over \$28,000 in claimed expenses and that other claimed costs were not supported by documentation. Based on the review and subsequent investigation, USAID issued a bill for collection for \$40,264, which represented approximately 80 percent of the total grant award.

BUREAU FOR ASIA AND THE NEAR EAST

Bid Rigging Investigation Continues to Yield Significant Results

During the current reporting period, a long-term investigation conducted jointly with the Antitrust Division of the U.S. Department of Justice into the activities of an international bid-rigging cartel that targeted USAID-funded wastewater construction contracts in Egypt, produced the following results:

- ◆ one conviction of violation of the Sherman Antitrust Act;
- ◆ two criminal indictments;
- ◆ two organizational suspensions;
- ◆ criminal fines of \$53 million;
- ◆ settlements totaling \$900,788; and
- ◆ savings of \$65 million.

The major results are described in detail below.

Subsidiary of a Major Swiss Corporation Pleads Guilty to Bid Rigging and Pays a \$53 Million Criminal Fine. In April 2001, the on-going prosecution of the bid-rigging conspiracy resulted in a plea agreement between the Antitrust Division of the U.S. Department of Justice and a subsidiary of a well-known Swiss corporation. Pursuant to the terms of the plea agreement, the corporation admitted to participating in a conspiracy to suppress and eliminate competition by rigging bids on a USAID-funded construction contract in violation of the Sherman Antitrust Act. The corporation further acknowledged that it had participated in meetings and conversations to discuss bid rigging on the USAID-funded contract, agreed to suppress or eliminate competition on that contract, and agreed to pay its co-conspirator a cash payment of \$3.4 million for its commitment not to bid competitively on the \$135 million contract.

As a result of the guilty plea, a one-count felony judgement was entered in the U.S. District Court in Birmingham, Alabama, and, per the plea agreement, the Court ordered the corporation to pay a criminal fine in the amount of \$53 million.

Grand Jury Indicts Major U.S. Construction Company and Others in Bid Rigging Conspiracy.

In July 2001, a federal grand jury in Birmingham, Alabama, indicted a major U.S. construction company, a foreign affiliate, and the affiliate's former president on separate charges of participating in a conspiracy to rig bids on USAID-funded construction contracts and of participating in a conspiracy to defraud the United States. A second indictment was filed against another individual, separately charging that person with the same violations.

The indictments identified three contracts as the focus of the illegal bid rigging and fraudulent activity. They described the conspiracy as lasting more than eight years and involving the rigging of contract bids submitted in the late 1980s and the early 1990s on USAID-funded Egyptian wastewater construction projects. These two indictments are the fourth and fifth prosecution actions resulting from the long-term joint OIG and Department of Justice investigation.



*OIG Investigator
Walter Kindred, and
Department of
Justice Attorney
William Dillon cart
bid-rigging evidence
into the U.S. Court
House.*

Suspended U.S. Company Loses \$65 Million Contract. In a further development, when a U.S. company, affiliated with an entity previously suspended by USAID, won the award of a \$65 million U.S. Army Corps of Engineers contract, a bid protest by one of the losing bidders was filed. The losing bidder also filed a complaint with the OIG alleging that the new U.S. company, which had received the award of the \$65 million contract, was nothing more than the alter-ego of the company suspended by USAID and was being used to avoid the suspension sanction. Working in close collaboration with the U.S. Army Corps of Engineers, the OIG investigation substantiated the allegations of the losing bidder, which caused the Corps of Engineers to terminate its contract award to the new company. Additionally, the Corps of Engineers demanded full reimbursement of the \$900,877 advance it had given to the new company. Finally, USAID took action to add the names of the new company and its chief executive officer to the government-wide suspension/debarment list.

Audit of USAID's Regional Office in Cambodia

In May 2000, USAID transferred the responsibility for its programs and operations in Vietnam, Thailand and Laos from USAID/Washington and USAID/Philippines to USAID/Cambodia. Concerned about the impact of these new responsibilities on Mission staff, the OIG sought to determine:

- ◆ what progress has been made to establish a regional office in Cambodia, and
- ◆ what steps have been taken to specifically monitor activities in Vietnam, Thailand and Laos.

The OIG found that although Mission employees had assembled partial lists of activities in Vietnam, Thailand and Laos, a complete list had not been prepared. Furthermore, although the Mission brought in several new direct-hire employees and contractors, many of these workers were uncertain about their regional support responsibilities; their job descriptions did not include sufficient information about their role in supporting operations in Vietnam, Thailand and Laos. The OIG recommended that USAID/Cambodia (1) prepare a management plan for all activities for which the Mission has assumed regional support responsibility and (2) clearly identify the personnel responsible for each activity.

USAID/Cambodia concurred with the audit findings, created a management matrix to delineate all activities for which the Mission is responsible, and identified specific employees responsible for each activity in Vietnam, Thailand and Laos. (*Audit Report No. 5-442-01-003-P*)



*Children play at a
USAID-funded
rehabilitation center
in Cambodia*

Audit of USAID/Indonesia's Democracy and Governance Program

As part of its fiscal year 2001 audit plan, the OIG reviewed USAID/Indonesia's efforts to implement its democracy and governance (DG) program. The OIG found that USAID/Indonesia has generally expended funds and monitored expenditures in accordance with appropriate guidelines. However, three areas required Mission attention, specifically:

- ◆ USAID/Indonesia needs a new agreement with the Government of Indonesia (GOI) to help set and meet its current DG program strategic objectives. In some cases, the lack of a new agreement has contributed to operational problems and additional program costs. The OIG recommended that the Mission (1) develop a strategy for contacting appropriate parties within the host government to develop a new agreement, and (2) assist contractors and grantees in recovering taxes and duties paid to the GOI.
- ◆ USAID/Indonesia did not include reference to Section 116(e) of the Foreign Assistance Act of 1961, as amended, in its DG agreements. Section 116(e) prohibits USAID funding from being used to influence the outcome of any election in any country. The OIG recommended that the Mission include this statutory requirement in applicable agreements.
- ◆ USAID/Indonesia has, as part of its DG program, attempted to help resolve conflicts and crises in high-risk areas, but in some instances security concerns prevented responsible organizations from monitoring program activities. The OIG suggested (but did not formally recommend) that the Mission work with its contractors and grantees to develop contingency plans for monitoring in difficult situations.

USAID/Indonesia agreed to implement the report recommendations. (*Audit Report No. 5-497-01-004-P*)

OIG Investigators Collaborate with Other Law Enforcement Agencies in Fraud Case

The Department of Defense (DOD) Defense Criminal Investigative Service launched an investigation into a scheme whereby a New Jersey supplier billed DOD and was paid for medical materials to be delivered by other vendors; these vendors were either never paid or only paid a small portion of the actual costs. Simultaneously, the OIG opened an investigation into suspected false claims by the same company. Other law enforcement agencies, including the Army Criminal Investigation Command, the FBI, and the Veteran's Administration OIG participated in the investigation, which was directed by the Office of the United States Attorney, District of New Jersey.

In March 2000, the owner was arrested. The affidavit to support the arrest warrant cited an instance wherein USAID was defrauded. In May 2000, the company and its owner were indicted. The 24-count indictment included one count of fraud against USAID. This charge stated that the supplier submitted a bill of lading to support a fraudulent claim for shipping

charges that were never incurred.

In September 2000, the company and its principal pled guilty to all charges listed in the indictment. In April 2001, the head of the company was sentenced to 15 months in jail and ordered to pay restitution. The U.S. District judge presiding over the sentencing also ordered that the company be dissolved and enjoined from doing further business.

Investigation Results in Refund of Commission Payment

A New Jersey company voluntarily repaid USAID \$24,415 for a commission paid to its agent that it had failed to disclose. USAID regulations under the Commodity Import Program (CIP) require that all commissions be disclosed. An OIG investigation found that the company sold a highly sophisticated piece of scientific equipment to an Egyptian university that was financed under the CIP; however, the Export Manager failed to list a commission paid to its Egyptian agent on the form submitted to USAID for payment. The company claimed that this was due to an oversight. The Office of the United States Attorney felt that there was insufficient evidence of intent and declined prosecution in lieu of administrative action. In response to a request for voluntary repayment, the company agreed to refund \$24,415, the amount of the commission.

BUREAU FOR EUROPE AND EURASIA

Investigation Results in Termination of Grantee Employees and Issuance of Demand Letter

As a result of an OIG investigation into allegations of embezzlement by employees of a major USAID grantee operating in the Ukraine, 11 Ukrainian employees were terminated. Working with the full cooperation of the grantee organization's senior management, investigators found that the regional grants manager directed the embezzlement scheme and received assistance from several other Ukrainian employees. The wide-ranging scheme employed various illegal tactics to defraud the grantee organization, including (1) the alteration of wire transfer records to divert funds to non-existent vendor accounts located in several other countries; (2) submission and approval of false grant proposals by grantees that did not exist; and (3) request and approval of payments on expired grants and the re-directing of the payments to non-existent vendors.

OIG auditors identified the amount of loss as a result of the embezzlement scheme at \$375,888. USAID has issued a demand letter to the U.S. grantee organization seeking a full reimbursement of the loss, and the grantee organization has acknowledged its responsibility in the matter. None of the U.S. employees of the grantee organization were implicated in the fraudulent activities.

Audit of USAID/Ukraine's Activity Monitoring System

USAID is helping the Government of Ukraine make the transition to a broad-based democracy with a market economy while taking steps to alleviate the privations imposed on the most vulnerable members of its society. Since 1992, USAID/Ukraine has committed \$329 million to support these efforts.

The OIG conducted an audit of USAID/Ukraine's activity monitoring system to ensure that USAID-funded activities receive proper oversight. The audit examined USAID/Ukraine's activity monitoring system, focusing on activities conducted during fiscal year 2000. The audit specifically reviewed 11 awards, totaling \$50 million, for expanding the role of small and medium-sized enterprises in the Ukrainian national economy.

Although USAID/Ukraine generally had an activity monitoring system that ensured proper management oversight of USAID-funded activities, the OIG identified certain elements of the system that could be strengthened; specifically, the Mission's performance monitoring plan, progress reporting, work plan approval process, and contractor evaluations.

The audit made seven recommendations to address the identified problems. USAID/Ukraine agreed with the audit findings and took immediate action to address each recommendation. (*Audit Report No. B-121-01-006-P*)

Pre-Award Survey – Government of Armenia’s Ministry of Social Services Local Currency Recovery Program

In 1999, the OIG issued audit reports concerning two emergency USAID programs in Armenia—the 1996 Natural Gas Import Program and the 1996 Emergency Wheat Assistance Program. These reports disclosed that the Government of Armenia had failed to comply with most conditions and terms of those programs. Accordingly, these reports recommended that USAID recover the local currency equivalent of over \$25 million.

USAID’s Bureau for Europe and Eurasia drafted a Memorandum of Understanding (MOU) with the Government of Armenia that delineated how the local currency recovery program would work. Before signing the MOU, the Bureau requested that the OIG review the requirements in the MOU and determine whether the Government of Armenia had the necessary systems in place to meet those requirements.

The OIG confirmed that the Government of Armenia had accounting systems that provided the necessary detail to track funds through to the program’s beneficiaries. However, the OIG also determined that the Government of Armenia’s Central Bank could not identify the actual source of funds used for the recovery program. This was a significant problem because the draft MOU prohibited co-mingling of funds from the recovery program with funds from other parties (e.g., assistance from other donors). Moreover, the OIG found that USAID had not developed a plan for monitoring the recovery program. Without a monitoring plan, USAID faced heightened risk that the program would not recover the \$25 million as intended.

In response to the OIG’s findings, USAID clarified the MOU and required the establishment of a separate account at the Ministry of Finance and Economy–Treasury to handle recovered funds. The MOU also included a prohibition against the attribution of funds to any other donor loan or grant. Furthermore, USAID developed and implemented a strategy for monitoring the local currency recovery program.

BUREAU FOR LATIN AMERICA AND THE CARIBBEAN

Audit of USAID/Haiti's Hurricane Georges Recovery Program

As part of its oversight effort for the Central America and the Caribbean Emergency Disaster Recovery Program Fund (CACEDRF), the OIG performed an audit of USAID/Haiti's reconstruction activity entitled the Hurricane Georges Recovery Program. The OIG sought to determine whether (1) the reconstruction activities were on schedule to achieve planned outputs and (2) USAID/Haiti had implemented an adequate monitoring system for its program.

The audit found that 27 of the 31 disaster reconstruction activities were on schedule to achieve planned outputs. The remaining four activities—school reconstruction, technical assistance to farmers, a disaster preparedness training program, and U.S. Army Corps of Engineers' watershed studies—were three months or more behind schedule.

Delays to the schools, farmer assistance and disaster preparedness programs were not expected to be lengthy. However, due to contracting setbacks, some of the Corps of Engineers' activities were not expected to be completed before the recovery program's scheduled end date. The OIG recommended that USAID/Haiti deobligate all unexpended funds for Corps of Engineers activities that would not be completed. USAID/Haiti agreed with the findings and curtailed the agreement with the Corps, deobligating \$36,000. (*Audit Report No. 1-521-01-005-P*)

Audit of USAID/Honduras' Hurricane Mitch Housing Reconstruction Activities

As part of its oversight effort for the CACEDRF, the OIG performed an audit of USAID/Honduras' housing reconstruction activities to determine if the activities were on schedule to achieve planned outputs, and if the Mission had implemented an adequate monitoring system for them.

The OIG found that housing reconstruction activities were on schedule to achieve planned outputs. As of March 31, 2001, 33 percent of the planned housing solutions had been completed, 35 percent were under construction, and 32 percent remained to be started. USAID/Honduras had plans to complete all construction by the end of December 2001. In addition, the OIG found that USAID/Honduras had implemented an adequate monitoring system for these activities.

The OIG did not have any recommendations and USAID/Honduras agreed with the contents of the report. (*Audit Report No. I-522-01-006-P*)

Audit of USAID/Nicaragua's Agricultural Activities

As part of its oversight effort for activities funded by CACEDRF, the OIG audited USAID/Nicaragua agriculture programs. The audit's objectives were to determine whether the agricultural activities would achieve their planned outputs, and whether the Mission had implemented an adequate system to monitor these activities. USAID/Nicaragua plans to spend \$35.2 million on the program.



OIG Auditor Matthew Rathgeber interviews a housing site manager in Honduras.

The OIG found that USAID/Nicaragua's agricultural activities were on schedule to achieve the planned outputs—except for planned activities to improve coffee quality, create a self-sustaining credit facility, and rehabilitate roads. The OIG found that:

- ◆ none of the planned coffee-testing facilities had been established and no related technical training had been given;
- ◆ the U.S. grantee in charge of establishing the credit fund could not find a local partner to manage the fund; and
- ◆ only 40 percent of the rural roads planned to be rehabilitated had been finished by November 2000.

Although the Mission implemented a system to monitor agricultural activities, officials had not developed a performance monitoring plan as required by USAID guidance. Moreover, the

Mission had not performed assessments of the reliability of data used in the Mission's performance reporting.

The OIG recommended that USAID/Nicaragua redesign the coffee quality segment, reprogram the credit facility funds, set milestone dates for completing road rehabilitation work, and obtain Global Positioning System mapping of all previously completed and planned road project sites. The OIG further recommended that USAID/Nicaragua establish a system to schedule and track records of all field visits made by staff members, and assess the reliability of data used in performance reporting.

In response to these findings, USAID/Nicaragua took appropriate corrective actions. (*Audit Report No. I-524-01-007-P*)

Audit of USAID/Nicaragua's Water and Sanitation Activities

As part of its oversight effort for activities funded by CACEDRF, the OIG performed an audit of a \$9.5 million program in Nicaragua for the rehabilitation and/or building of new community water systems to restore health and sanitary conditions to their pre-Hurricane Mitch levels.

The audit's objectives were to determine whether (1) USAID/Nicaragua's water and sanitation activities would achieve their planned outputs and (2) the Mission had implemented an adequate system to monitor these activities.



OIG auditors inspect a water and sanitation project in Nicaragua's Río Arriba community, Municipality of San Lucas.

The OIG found that the Mission had implemented an adequate system to monitor its water and sanitation activities. Furthermore, except for activities to construct seepage pits and a solid waste facility, USAID/Nicaragua's water and sanitation activities would achieve the planned outputs. The OIG recommended that the Mission develop a plan for constructing the seepage pits or reprogram funds budgeted for their construction. The OIG did not develop a recommendation concerning the solid waste facility because only one such facility was to be developed, and the OIG believed that it could be completed before the end of the program.

USAID/Nicaragua agreed with the audit findings and the recommendation and reprogrammed the funds originally budgeted for seepage pits. (*Audit Report No. 1-524-01-008-P*)

Audit of USAID/Guatemala-Financed Agriculture Activities

As part of its oversight of CACEDRF activities, the OIG audited USAID/Guatemala's agriculture programs. The audit's objectives were to determine whether agriculture activities were on schedule to achieve their planned outputs and whether the Mission had implemented an adequate system to monitor these activities. USAID/Guatemala plans to spend \$15.6 million on the program.

For those items tested, three of the five agriculture activities audited were on schedule to achieve the planned outputs. The OIG was unable to determine if the two remaining activities would achieve planned outputs because the implementing organizations did not submit complete information about their accomplishments. The OIG believed that these reporting problems resulted from (1) administrative weaknesses within the implementing organizations and (2) inconsistent monitoring by USAID/Guatemala.

To correct these problems, the OIG recommended that USAID/Guatemala obtain and verify the cumulative outputs achieved by two of its grantees. The OIG further recommended that USAID/Guatemala provide its activity managers with training on monitoring responsibilities and techniques. In response to the first recommendation, USAID/Guatemala obtained and verified the cumulative outputs for two grantees and reviewed the cooperative agreements to ensure that its grantees were in full compliance with the requirements of their agreements. A management decision on the second recommendation is pending. (*Audit Report No. 1-520-01-010-P*)

Audit of USAID/Peru's Family Planning Program

Beginning with fiscal year 1999, legislation funding foreign assistance activities has included several stipulations that are collectively known as the Tiahrt amendment. The Tiahrt amendment (1) prohibits a variety of practices that can lead to coercion in family planning activities and (2) requires family planning programs to provide comprehensible information on the health benefits and risks of the family planning method chosen. The House Committee on Appropriations directed the OIG to perform an audit of USAID/Peru's family planning program to determine whether USAID/Peru adhered to Tiahrt amendment provisions.

The OIG determined that, for the items tested, USAID/Peru adhered to Tiahrt amendment provisions. Auditors visited 32 health facilities and interviewed 158 patients and 32 family planning providers and found no exceptions to Tiahrt amendment provisions. Furthermore, the OIG found that in order to comply with the amendment's provisions, the Mission:

- ◆ implemented compliance surveys of users of family planning services;
- ◆ obtained incident reports from the Peruvian Human Rights Ombudsman;
- ◆ assigned a full-time USAID employee to monitor Tiahrt compliance;
- ◆ established a senior management committee to oversee Tiahrt-related issues;
- ◆ trained health care providers; and
- ◆ included standard provisions requiring Tiahrt compliance in agreements with Peru's Ministry of Health (MOH) and with other organizations.

In addition, the Peruvian Ministry of Health issued family planning standards that incorporate the restrictions included in the Tiahrt amendment. The report did not make any recommendations and Mission officials concurred with the findings and conclusions from the audit. (*Audit Report No. I-527-01-009-P*)

Investigation Results in Doctors' Guilty Pleas

An OIG investigation revealed that two doctors residing in San Juan, Puerto Rico, had conspired to divert a USAID-subsidized contraceptive drug from a clinic in the Dominican Republic to Puerto Rico for re-sale. The case was initiated by the OIG after the U.S. Customs Service in San Juan seized 500 vials of the drug, which one of the doctors had attempted to smuggle into the Commonwealth. The shipment had an approximate retail value of \$30,000. The investigation found that the doctors made several similar trips to the Dominican Republic, where they were able to purchase vials of the drug for approximately \$4 each; the doctors then sold the drugs in Puerto Rico for \$40 each.

In July 2001, both doctors pled guilty in the U.S. District Court for the District of Puerto Rico to the felony charge of unlawful importation of previously exported prescription drugs. Sentencing is scheduled for November 2001.

Investigation Results in Guilty Plea

An OIG investigation into allegations of financial mismanagement of USAID grants funds disclosed that the Country Director of a U.S. grantee diverted grant funds for personal use. The investigation found that the Country Director employed several schemes to convert the grant funds. For example, the individual forged documents to create false rental agreements to receive a rental allowance substantially in excess of what was actually incurred. The person also created false invoices for services that were never performed and authorized payments of

these invoices to non-existent entities. Finally, the Country Director routinely misused an official credit card to make personal purchases and knowingly allowed the grantee organization to submit these charges as official expenses to USAID for reimbursement.

The U.S. grantee organization cooperated fully with the OIG throughout the investigation. Based upon the OIG's preliminary findings, the grantee suspended the Country Director for 30 days. Thereafter, when presented with detailed evidence by the OIG, the grantee terminated the employee. Four other individuals were also terminated.

In August 2001, the former Country Director pled guilty to a one-count criminal violation of conversion of money from the United States. The former Country Director faces a statutory maximum of one-year imprisonment, a potential criminal fine, or both.

Investigation Results in Termination of FSN Employee

An OIG investigation in Latin America disclosed that a senior USAID FSN had violated Agency ethics standards by pressuring a contractor to hire a personal friend to work on a program under the FSN's official responsibility. When confronted with the results of the OIG investigation, the FSN admitted the misconduct and acknowledged the violation of USAID's code of ethics. Because the employee had an excellent work record and readily admitted to the misconduct, USAID gave the FSN a written reprimand, which required that the FSN acknowledge that any further incidents of a similar nature would jeopardize employment with USAID.

Subsequently, allegations of procurement irregularities resulted in an investigation of additional misconduct on the part of this FSN. The investigation found that the FSN had used official influence to get host country counterparts to award consulting contracts to several associates. Furthermore, the FSN would then have the consultant add a "fee" to the contract price, which the FSN would collect in cash from the consultant after that person received payment from the host country. Based upon the strong evidence developed during the investigation and the FSN's subsequent confession, this long-time USAID FSN employee was immediately terminated for cause.

BUREAU FOR MANAGEMENT

Audit of USAID's Monitoring of Interagency Arrangements with the Department of State and Other Federal Agencies

Through a variety of arrangements authorized by Sections 632(a) and 632(b) of the Foreign Assistance Act, USAID transfers, allocates and disburses a significant percentage of its annual appropriation to other federal agencies, including the Department of State (DOS). This audit was designed to determine whether USAID had (1) established adequate management controls for deciding on the use of interagency arrangements, (2) received required financial and performance reports from the DOS, and (3) effectively managed advances under Section 632(b) agreements.

The OIG found that USAID did not:

- ◆ establish adequate guidance to help managers decide between the use of Section 632(a) allocations and transfers;
- ◆ receive all the reports that the DOS was required to provide for Section 632(a) allocations and Section 632(b) interagency agreements; and
- ◆ effectively manage the liquidation of advances given to the DOS and other federal agencies under Section 632(b) interagency agreements.

Moreover, the performance reports that the DOS did provide were not useful in helping USAID measure progress toward the anticipated results of Section 632(b) interagency agreements

To address these problems, the OIG recommended five changes to current USAID procedures. In addition, the OIG recommended that USAID liquidate or recover \$30.5 million in outstanding advances under 60 expired interagency agreements. USAID management agreed with our findings and plans to implement all recommendations. (*Audit Report No. 9-000-01-006-P*)

Audit of USAID's Compliance with the Provisions of the Government Information Security Reform

The Fiscal Year 2001 Defense Authorization Act, which includes provisions on government information security reform (GISR), requires annual evaluations of agencies' security efforts for

unclassified and national security systems. To fulfill this requirement, the OIG conducted an audit to determine if USAID had implemented an effective information systems security program meeting the provisions of GISR.

The OIG found that while USAID has made significant progress, it has not implemented an information systems security program that meets the GISR requirements. For instance, at six of the eight missions visited, required risk assessments had not been completed. Also, USAID staff was not adequately trained to perform system security responsibilities, and periodic security testing and evaluations were not performed. As a result, USAID had no assurance that its security policies were being consistently implemented.

To correct these weaknesses, the OIG recommended that USAID's Chief Information Officer (1) centralize security functions, (2) improve the current policies and procedures, (3) implement monitoring systems to ensure compliance with policy and procedures, (4) improve the incident-response capability, (5) provide sufficient security training, and (6) require corrective actions for identified vulnerabilities. The OIG also recommended other actions to improve USAID's information systems security program.

The acting USAID Chief Information Officer agreed with the recommendations in the report and is planning to implement the ten recommendations. (*Audit Report No. A-000-01-002-P*)

Audit of USAID's Compliance with Internet Privacy Policies

The Treasury and General Appropriations Act of 2001 requires the OIG to report on USAID activities relating to the collection or review of data about individuals who access any USAID internet site. To fulfill this requirement, the OIG initiated an audit to determine whether USAID (1) collects through its own efforts or obtains from third parties personally identifying information about visitors to its public website, and (2) complies with federal guidance related to protecting Internet users' privacy when visiting federal websites.

The OIG found that USAID does collect personally identifying information from website visitors. While USAID complies with federal regulations requiring privacy notices on Agency websites, USAID does not fully comply with requirements governing the use of Internet "cookies" (text-only strings that are entered into the memory of a browser), nor does the Agency adequately safeguard the personal information it collects. According to USAID management, the Agency has not entered into any agreements with third parties to obtain personally identifying information related to website users' viewing habits.

To correct the identified weaknesses, the OIG recommended that USAID's Chief Information Officer (1) periodically search USAID's external website for cookies that do not comply with federal regulations, and (2) formulate policies and procedures that adequately safeguard the personally identifying information collected by USAID web servers or applications. The acting USAID Chief Information Officer agreed with the report and is planning to implement both recommendations. (*Audit Report No. A-000-01-001-P*)

Investigation Results in Repayment

An OIG investigation determined that a grantee employee embezzled USAID funds in the amount of \$30,000. In addition, the employee, who was the Comptroller for the grantee organization at the time, embezzled \$469,000 of non-USAID funds. The grantee organization acknowledged its responsibility to USAID for the embezzled funds and restored the \$30,000.

In December 1999, the defendant was charged with Wire Fraud and pled guilty. In August 2001, the former Comptroller was sentenced to 21 months incarceration to be followed by 3 years of supervised probation; the subject was also ordered to pay restitution

Investigation Results in Guilty Plea

A USAID grantee, the recipient of a \$250,000 grant, contacted the OIG for assistance after suspicious financial transactions were uncovered. The OIG investigation determined that \$18,000 of USAID grant funds had been embezzled by an employee of the grantee, who during an interview with OIG investigators admitted to the embezzlement. The individual was subsequently indicted and arrested. Through a plea agreement with the United States Attorney's Office in Miami, Florida, the defendant pled guilty and was ordered to pay full restitution.

Reviews of Audit Costs of U.S. -Based Grantees

The OIG reviewed the working papers of two non-Federal audit firms and determined that audits of grantees met the requirements of OMB Circular A-133. During one review, however, the OIG found that the grantee had charged unallowable indirect costs against certain USAID grants. The OIG recommended that USAID question \$62,000 of indirect costs associated with these awards expended in the recipient's fiscal years 1995 through 1998.

The OIG also identified a problem with a second grantee's A-133 audit cost allocation methodology. Although, the grantee received Federal awards from three separate Federal agencies during fiscal years 1996 through 1998, USAID had reimbursed 100 percent of the grantee's audit costs. The OIG concluded that USAID overpaid \$80,000 in audit costs to the organization over the 3-year period. USAID management agreed to seek resolution of these matters. (*Audit Report Nos. 0-000-01-011-F, 0-000-01-012-F*)

Investigation Results in Bill for Collection

An OIG investigation was initiated based upon allegations of financial irregularities involving a USAID contractor. Investigators found that two DCAA audit reports had uncovered numerous instances of questioned costs on contracts awarded to this organization over the course of several years. The investigation also confirmed that these questioned costs had been sustained by USAID and that demands for payment had been issued by various missions. After further investigative efforts, the OIG, working with USAID Office of Procurement, confirmed

numerous other questioned costs and agreed that an additional bill for collection in the amount of \$250,667 should be issued.

BUREAU FOR POLICY & PROGRAM COORDINATION

Audit of Performance Monitoring for Indicators Appearing in Selected USAID Operating Units' Results Review and Resource Request Reports

This report summarizes the results of seven OIG audits conducted at selected operating units in Washington, D.C. and in each of USAID's four geographic regions overseas. These audits were requested by USAID's Bureau for Policy and Program Coordination (PPC) and were designed to determine if USAID's operating units monitored performance in accordance with relevant guidance as demonstrated by indicators appearing in their Results Review and Resource Request (R4) reports.

All seven audit reports included recommendations to improve performance monitoring for each of the specific operating units reviewed. Specifically, the operating units needed to:

- ◆ improve their respective performance monitoring plans;
- ◆ perform and document data quality assessments of indicators included in R4 reports; and
- ◆ disclose known data quality limitations in their R4 reports.

The OIG also identified corrective actions that USAID headquarters could take to improve performance monitoring and reporting on an Agency-wide basis. Consequently, the OIG recommended that PPC:

- ◆ develop a plan to train personnel regarding performance monitoring plans;
- ◆ clarify USAID guidance as to which indicators require data quality assessments; and
- ◆ revise USAID guidance concerning the disclosure of data quality limitations.

USAID generally agreed with the report and has taken action on two of the recommendations. The OIG and USAID have not yet reached agreement regarding implementation of the recommendation to clarify USAID guidance on data quality assessments. (*Audit Report No. 9-000-01-005-P*)

FOUNDATION INITIATIVES

In November 1999, the President signed Public Law 106-113, which amended the Inspector General Act of 1978 by assigning audit and investigative responsibilities to the OIG for the African Development Foundation (ADF) and the Inter-American Foundation (IAF). Both foundations are U. S. Government corporations.

AFRICAN DEVELOPMENT FOUNDATION

ADF began field operations in 1984 and provides grants directly to community groups in Africa. The Foundation receives its funding from congressional appropriations and also seeks supplemental funding from public and private sources. During the past three fiscal years, the Congress appropriated a total of \$41.4 million for ADF programs and operations. Based in Washington, D.C., and governed by a seven-member Board of Directors appointed by the President of the United States, the Foundation has funded more than 1,300 projects in 34 African countries.

OIG Oversight Activities

As part of its oversight efforts, the OIG issued a quality control review of a private audit firm's audit of ADF's financial statements for fiscal year 1999 and supervised an audit of the Foundation's fiscal year 2000 financial statements and internal controls. Both efforts resulted in numerous recommendations to improve ADF's financial practices.

In fiscal year 2002, the OIG will directly contract with private accounting firms to perform financial audits at ADF, and the OIG will prepare the final audit reports. In addition, the OIG has initiated planning for its first performance audit of ADF field operations. The audit will be designed to determine whether ADF:

- ◆ awards grants in accordance with applicable laws, regulations, and internal policies;
- ◆ monitors grantee activities to ensure that intended results are achieved; and
- ◆ maintains adequate internal controls over its recipient financial audit program to ensure that funds provided to grantees are used only for intended purposes.

This audit will be completed during fiscal year 2002.

INTER-AMERICAN FOUNDATION

IAF was established in 1969 and provides grants directly to local organizations in Latin America and the Caribbean. Based in Arlington, Virginia, the Foundation is governed by a nine-member Board of Directors appointed by the President of the United States. IAF's operating and program budget consists of congressional appropriations and funds derived through the Social Progress Trust Fund. IAF also enters into partnerships with public and private sector entities to increase support and mobilize local, national, and international resources. During the past three fiscal years, the Congress appropriated \$47 million for IAF programs and operations.

Grants are awarded following a screening process and concurrence by IAF management. The Foundation oversees its grants through direct observation and reports provided to headquarters by contractors in countries where the Foundation is active. IAF has restructured its overseas staff to reduce costs and improve the accuracy and efficiency of data collection.

OIG Oversight Activities

As part of its oversight efforts, the OIG supervised an audit by a private audit firm of the Foundation's fiscal year 2000 financial statements and internal controls; the auditors were unable to express an opinion on IAF's principal financial statements because the audit scope had been impaired. This effort resulted in a number of recommendations to improve IAF's financial operations.

In fiscal year 2001, the OIG contracted with an independent public accounting firm to review the status of actions taken by IAF in response to previous recommendations. The accounting firm noted that IAF had outsourced the Foundation's accounting function and improved its financial practices by (1) performing regular monthly account reconciliations, (2) updating policies and procedures, and (3) maintaining supporting documentation for its transactions.

In fiscal year 2002, the OIG will directly contract with private accounting firms to perform financial audits at IAF, and the OIG will prepare the final audit reports. Also, the OIG has initiated planning for its first performance audit of IAF field operations. The audit will determine whether IAF:

- ◆ awards grants in accordance with applicable laws, regulations, and internal policies;
- ◆ monitors grantee activities to ensure that intended results are achieved; and
- ◆ maintains adequate internal controls over its recipient audit program to ensure that funds provided to grantees are used only for intended purposes.

This audit will be completed during fiscal year 2002.

OTHER REPORTING REQUIREMENTS

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires that each Inspector General's Semiannual Report to the U.S. Congress include a description and explanation of significant revisions of management decisions as well as information concerning any significant management decision with which the OIG is in disagreement. During this reporting period, there were no significant revisions or management decisions with which the OIG disagreed.

The Inspector General Act also requires the identification of any reports made to the head of the agency describing instances where information or assistance was unreasonably refused or not provided. During this reporting period, there were no reports to the Administrator of USAID describing instances where information or assistance was unreasonably refused or not provided.

The 1988 amendments to the Inspector General Act also require the reporting of statistical information, which is presented in the following tables:

Table A:	<i>Reports Issued April 1, 2001 through September 30, 2001</i>
Table B:	<i>Audit Reports Over Six Months Old With No Management Decision as of September 30, 2001</i>
Table C:	<i>Significant Audit Reports Described in Previous Semiannual Reports Without Final Action as of September 30, 2001</i>
Table D:	<i>Reports Issued With Questioned and Unsupported Costs (April 1, 2001 through September 30, 2001)</i>
Table E:	<i>Reports Issued With Recommendations That Funds Be Put to Better Use (April 1, 2001 through September 30, 2001)</i>

TABLE A

REPORTS ISSUED

April 1, 2001 through September 30, 2001

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		-- USAID and Foundation Programs and Operations --		
0-000-01-010-F	--	Report Number Not Used		
0-000-01-011-F	08/31/01	Indirect Costs Charged by the Cooperative for Assistance and Relief Everywhere, Inc. to USAID Internal Transport, Storage and Handling Awards	62	QC
0-000-01-012-F	08/31/01	OMB Circular A-133 Audit Costs of Catholic Relief Services	80	QC
0-IAF-01-013-F	09/28/01	Report on Agreed-Upon Procedures at the Inter-American Foundation		
4-690-01-002-F	04/02/01	Audit of USAID/Regional Center for Southern Africa's FY 2000 Financial Operations and Controls		
4-674-01-003-F	04/25/01	Audit of USAID/South Africa's Cashier Operations		
7-620-01-001-F	07/31/01	Audit of USAID/Nigeria Fiscal Year 2000 Operating Expenses		
		-- U.S.-Based Contractors --		
0-000-01-053-D	04/16/01	Devtech Systems, Inc. Report on Floorcheck		
0-000-01-054-D	04/16/01	PA Government Services, Inc. Formerly Hagler Bailly Services, Inc. Report on Fiscal Year 2000 Floorcheck		
0-000-01-056-D	04/17/01	Solar International Management, Inc. Report on Audit of Termination of Subcontract		
0-000-01-057-D	05/04/01	Clapp & Mayne, Inc. Report on FY 1999 Incurred Cost Audit	45	QC
0-000-01-059-D	05/04/01	Ronco Consulting Corporation, Report on Audit of Incurred Costs for Fiscal Year 1998	13	QC
0-000-01-060-D	05/22/01	Metcalf and Eddy, Inc. Report on Audit of FY 1998 Final Indirect Expense Rate Proposal		
0-000-01-062-D	05/22/01	C.R.B. Associates of Virginia, Inc. Report on Price Proposal		
0-000-01-063-D	06/08/01	Deloitte Touche Tohmatsu Emerging Markets, Ltd. Report on Review of Initial Disclosure Statement Effective August 1, 1998 Submitted September 1, 1999 and Revised on October 27, 2000		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-01-064-D	06/11/01	Training Resources Group, Report on Fiscal Years 1997 and 1998 Incurred Cost Audit		
0-000-01-065-D	06/11/01	First Washington Associates, Ltd. Report on Incurred Cost Audit for Fiscal Years 1996 and 1997		
0-000-01-066-D	06/11/01	Harza Engineering Company, Inc. Report on Audit of Fiscal Year 1998 Incurred Costs		
0-000-01-067-D	06/25/01	Coopers & Lybrand, L.L.P. Report on Audit of Incurred Costs for Fiscal Year Ended June 30, 1998		
0-000-01-069-D	07/12/01	Sibley International Corporation, Report on Audit of Fiscal Years 1998 and 1999 Incurred Costs		
0-000-01-071-D	08/07/01	Camp Dresser and McKee International, Report on Audit of Fiscal Year 1998 Incurred Costs		
0-000-01-072-D	08/07/01	Triumph Technologies, Inc. Report on Audit of Incurred Costs for Fiscal Years Ended December 31, 1997 and 1998		
0-000-01-073-D	08/21/01	Shorebank Advisory Services, Inc. Report on Audit of Fiscal Year 1999 Incurred Costs		
0-000-01-074-D	08/29/01	Bechtel National, Inc. Report on Audit of Incurred Costs January 1, 1999 through December 31, 1999		
0-000-01-076-D	08/29/01	MicroRate, Report on Review of Accounting System		
0-000-01-081-D	08/29/01	Abt Associates, Inc. Report on Performance Bonus Audit of General Dollar Magnitude Proposals for Noncompliance with CAS 401 and Disclosed Cost Accounting Practice, and Voluntary Change in Cost Accounting Practice		
0-000-01-082-D	09/05/01	TVT Associates, Inc. Report on Audit of Calendar Year 1998 Incurred Costs		
0-000-01-083-D	09/05/01	Associates for International Resources and Development, Report on Fiscal Years 1998-1999 Incurred Cost Audit		
0-000-01-088-D	09/12/01	Abt Associates, Inc. Report on Adequacy and Compliance of Revised Disclosure Statement No. 5, Effective April 1, 1999		
0-000-01-089-D	09/21/01	American Manufacturing Export Group, Inc. Audit Report on Pre-Award Accounting System Survey		
0-000-01-090-D	09/21/01	Burns and Roe Enterprises, Inc. Report on Audit of Calendar Year 1998 Incurred Costs		
0-000-01-091-D	09/21/01	Logical Technical Services Corporation, Report on FY 2001 Floorcheck Evaluation		
0-000-01-092-D	09/25/01	Cambridge Consulting Corporation, Report on Audit of Fiscal Years 1998 & 1999 Incurred Costs		
0-000-01-093-D	09/21/01	Abt Associates, Inc. Report on CAS 408 – Accounting for Costs of Compensated Personnel Absence		
0-000-01-094-D	09/25/01	Abt Associates, Inc. Report on Audit of CAS 403 Noncompliance		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-01-095-D	09/25/01	Computer Assisted Development, Inc. Report on Fiscal Year 1999 Final Incurred Cost Audit		
0-000-01-096-D	09/25/01	Abt Associates, Inc. Report on Audit of CAS 410 Noncompliance		
1-524-01-006-D	06/06/01	Annual Financial Statement Audit Report of the "Rural Water Supply and Sanitation Program in the Hurricane Mitch-Affected Areas for the Environmental Health Project," Managed by "Camp Dresser & McKee International, Inc." Under USAID Contract No. HRN-I-03-99-00011-00, for the Period September 1, 1999 to September 30, 2000		
1-522-01-010-D	07/11/01	Concurrent Financial Statement Audit of the USAID Resources Managed by DevTech Systems, Inc. in Honduras, Under Contract No. 522-C-00-00-00243-00 "Component for the Educational Opportunities Provided for Hurricane Affected Students Activity," for the Quarter Ended March 31, 2001		
1-524-01-013-D	07/27/01	Annual Financial Statement Audit of the USAID Resources Under Contract Agreement No. PCE-I-00-99-00003-00, "Agricultural Reconstruction Assistance Program," Managed by the Chemonics International, Inc. for the Period January 7 to December 31, 2000		
5-492-01-004-D	04/11/01	Report on Agreed-Upon Procedures Review Related to the Cost Effectiveness of Development Alternatives, Inc. – Accelerating Growth, Investment and Liberalization with Equity Program Under Contract No. AID 492-C-00-98-00018		
6-263-01-001-D	04/23/01	Report on Application of Agreed-Upon Procedures to Policies and Procedures of Chemonics Egypt and Chemonics International for USAID/Egypt's Cairo Air Improvement Project Under Contract No. 263-0250-C-00-6090		
		-- U.S.-Based Grantees --		
0-000-01-061-D	05/22/01	The Peregrine Fund, Report on Accounting System Internal Controls		
0-000-01-068-D	07/12/01	SRI International, Report on EDP General Internal Control Review Follow-up		
0-000-01-070-D	07/25/01	International AIDS Vaccine Initiative, Inc. Report on Pre-Award Accounting System Survey		
0-000-01-075-D	08/29/01	International Institute for Energy Conservation, Supplemental Audit Report on Termination Settlement Proposal	224	QC
1-524-01-008-D	07/05/01	Academy for Educational Development, Concurrent Financial Statement Audit of the Quarterly Fund Accountability Statement, for the Quarter Ended March 31, 2001		
1-522-01-011-D	07/11/01	Concurrent Financial Statement Audit of the USAID Resources Managed by Samaritan's Purse in Honduras, Under Award No. 522-A-00-00-00209-00 "Honduran Shelter Rehabilitation Program," for the Quarter Ended March 31, 2001		
1-524-01-014-D	09/06/01	Academy for Educational Development, Concurrent Financial Statement Audit of the Quarterly Fund Accountability Statement, for the Quarter Ended June 30, 2001		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-522-01-015-D	09/19/01	Concurrent Financial Statement Audit of the USAID Resources Managed by Cooperative Housing Foundation in Honduras, Under Grants No. 522-A-00-99-00077-00 "Emergency Shelter Project," No. 522-A-00-00-00207-00 "Programa Hogar," and No. 522-A-00-00-00208-00 "Starter Home," for the Quarter Ended March 31, 2001	14	QC
5-492-01-005-D	05/10/01	Audit Report Related to the FriendlyCare Foundation, Inc. – Private Sector Family and Reproductive Health System Program Under Cooperative Agreement No. 492-A-00-99-00015	1	QC
0-000-01-012-T	06/27/01	Initial Review of the Audit Report of the American University in Cairo for the Fiscal Year Ended August 31, 2000		
0-000-01-013-T	05/04/01	Initial Review of the Audit Report of Northwest Medical Teams International, Inc. for the Fiscal Year Ended June 30, 2000		
0-000-01-014-T	05/24/01	Initial Review of the Audit Report of Pathfinder International for the Fiscal Year Ended June 30, 2000		
0-000-01-015-T	05/24/01	Initial Review of the Audit Report of Pan American Development Foundation for the Fiscal Year Ended September 30, 2000		
0-000-01-016-T	06/27/01	Initial Review of the Audit Report of World Learning Inc. for the Fiscal Year Ended June 30, 2000		
0-000-01-017-T	06/27/01	Initial Review of the Audit Report of General Board of Higher Education and Ministry of the United Methodist Church for the Fiscal Year Ended December 31, 1999		
0-000-01-018-T	06/27/01	Initial Review of the Audit Report of CARE USA for the Fiscal Year Ended June 30, 1999		
0-000-01-019-T	06/27/01	Initial Review of the Audit Report of Institute for Sustainable Communities for the Fiscal Year Ended September 30, 2000		
0-000-01-020-T	06/27/01	Initial Review of the Audit Report of American Near East Refugee Aid for the Fiscal Year Ended May 31, 2000		
0-000-01-021-T	06/27/01	Initial Review of the Audit Report of Aga Khan Foundation USA for the Fiscal Year Ended December 31, 1999		
0-000-01-022-T	08/10/01	Initial Review of the Audit Report of National Democratic Institute for International Affairs for the Fiscal Year Ended September 30, 2000		
0-000-01-023-T	08/10/01	Initial Review of the Audit Report of FINCA International, Inc. for the Fiscal Year Ended August 31, 2000		
0-000-01-024-T	08/10/01	Initial Review of the Audit Report of Citizens Democracy Corps, Inc. for the Fiscal Year Ended September 30, 2000		
0-000-01-025-T	08/10/01	Initial Review of the Audit Report of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc. for the Fiscal Year Ended September 30, 2000		
0-000-01-026-T	08/10/01	Initial Review of the Audit Report of Cooperative Housing Foundation for the Fiscal Year Ended September 30, 2000		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-01-027-T	08/10/01	Initial Review of the Audit Report of Catholic Relief Services-United States Catholic Conference, Incorporated for the Fiscal Year Ended September 30, 2000		
0-000-01-028-T	08/10/01	Initial Review of the Audit Report of Planning Assistance, Inc. for the Fiscal Year Ended December 31, 2000		
0-000-01-029-T	08/10/01	Initial Review of the Audit Report of South-East Consortium for International Development for the Fiscal Year Ended September 30, 2000		
0-000-01-030-T	09/25/01	Initial Review of the Audit Report of CARE USA for the Fiscal Year Ended June 30, 2000		
		-- Foreign-Based Organizations --		
0-000-01-055-D	04/16/01	Chemonics Egypt, Report on Application of Agreed-Upon Procedures Chemonics Egypt and Chemonics International Cairo Air Improvement Project		
0-000-01-058-D	05/04/01	Oxfam GB, Report on Provisional Indirect Billing Rate Review		
0-000-01-077-D	08/29/01	Premiere-Urgence, Report on Audit of USAID Resources Granted to Premiere-Urgence for the Period from July 1, 1997 to June 30, 2000		
0-000-01-078-D	08/29/01	Overseas Development Institute, Report on Pre-Award Accounting Survey		
0-000-01-079-D	08/29/01	Agency for Technical Co-operation and Development, Evaluation of Incurred Cost, USAID/OFDA Grants AOT-G-00-00-00051-00 and AOT-G-00-01-00017-00		
0-000-01-080-D	08/29/01	GOAL, Report on Audit of the USAID/OFDA Resources Granted for the Period January 1, 1996 to December 31, 1999		
0-000-01-084-D	09/05/01	Nonprofit Enterprise and Self-Sustainability Team, Report on Pre-Award Accounting System Survey		
0-000-01-085-D	09/12/01	Vulindlela, Report on Pre-Award Accounting Survey		
0-000-01-086-D	09/12/01	Medair, Report on Audit of the USAID/OFDA Resources Granted for the Period January 1, 1999 to December 31, 2000		
0-000-01-087-D	09/12/01	Solidarites, Report on Audit of the USAID Resources Granted for the Period of 1999 and 2000	72	QC
1-524-01-007-D	06/26/01	Fondo de Inversion Social de Emergencia, Concurrent Financial Statement Audit of the Quarterly Fund Accountability Statement, for the Quarter Ended March 31, 2001		
1-524-01-009-D	07/10/01	Audit of the USAID/Nicaragua Project No. 524-C-00-99-00003-00 "Program Management and Technical Assistance – Post-Hurricane Mitch Reconstruction," Managed by Planning and Development Collaborative International for the Period August 19, 1999 to December 31, 2000		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-524-01-012-D	07/27/01	Annual Financial Statement Audit of the USAID Resources Managed by Management Sciences for Health in Nicaragua, Under PROSALUD Project Agreement No. 524-C-00-99-00027-00, "Health Center Renovation and Equipping of 3 SILAIS in Hurricane Mitch Affected Areas," for the Period November 16, 1999 to December 31, 2000	610 1	QC UN
1-519-01-034-N	04/10/01	Annual Financial Statement Audit Report of the Project Water and Sanitation Activities in the Mitch-Affected Areas Managed by "Care International de El Salvador" Under USAID Cooperative Agreement No. 519-A-00-99-000-90-00, for the Period June 17, 1999 to June 30, 2000		
1-517-01-035-N	04/10/01	The Cooperative Housing Foundation, Concurrent Financial Statement Audit of the Post-Hurricane Georges Housing Reconstruction Program in the Dominican Republic, USAID/DR-Project No. CA-517-A-00-00-000102-00 for the Quarter Ending December 31, 2000		
1-521-01-036-N	04/20/01	Pan American Development Foundation, Concurrent Financial Statement Audit of the Hurricane Georges Recovery Program, USAID/Haiti – Project No. 521-A-00-99-00072-00, for the Period July 1 to September 30, 2000	26 26	QC UN
1-524-01-037-N	05/16/01	Close-Out Financial Audit of the USAID Resources Managed by the Consejo Supremo Electoral de Nicaragua Under Project 524-0316.05 "Voter Cedulization Support Program," for the Period July 1, 1997 to May 31, 2000		
1-520-01-038-N	05/23/01	Audit of the USAID Resources Managed by the Ministry of Agriculture, Livestock, and Food, through the International Center for Agriculture Preinvestment, Under Project 520-0433 "Special Objective: Rural Economy Recovers from Mitch and is Less Vulnerable to Disasters," October 1, 2000 to December 31, 2000	320 279	QC UN
1-520-01-039-N	06/01/01	Audit of the USAID-Donated Contraceptive Program Under the "Better Health for Rural Women and Children" Grant Agreement USAID/MSPAS No. 520-0428, Managed by the Guatemalan Social Security Institute – IGSS, for the Period from September 17, 1997 to September 30, 2000		
1-524-01-040-N	06/01/01	Concurrent Financial Statement Audit of the Agricultural Reconstruction Program in the Republic of Nicaragua, USAID Cooperative Agreement No. 524-A-00-00-00004-00, Managed by the World Relief Corporation, for the Period October 1, 2000 to December 31, 2000		
1-522-01-041-N	06/13/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the Cooperative Federation of Credit Unions of Honduras, LTD., Under Cooperative Agreement No. 522-A-00-00-0247-00, "REACT Activity Component of the Hurricane Reconstruction Program," for the Period July 1 to September 30, 2000	177	QC
1-522-01-042-N	06/13/01	Concurrent Financial Statement Audit of the USAID Resources Managed by Fondo Nacional de Produccion y Vivienda, Under Special Objective Grant Agreement No. 522-0410.01 "Agriculture Reactivation Credit Activity, Component of the Hurricane Reconstruction Program," for the Period July 1 to September 30, 2000		
1-522-01-043-N	06/15/01	Financial Statement Audit of the USAID Resources Managed by the Fundacion Hondurena de Investigacion Agricola, Under Cooperative Agreement No. 522-A-00-00-0201-00, "REACT Activity Component of the Hurricane Reconstruction Program," for the Period October 29, 1999 to December 31, 2000	304	QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-522-01-044-N	06/15/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the National Autonomous Aqueduct and Sewage Service, Under Special Objective Grant Agreement No. 522-0410.03, "Hurricane Reconstruction Program," for the Period April 1 to June 30, 2000	104 98	QC UN
1-519-01-045-N	06/21/01	The Ministry of Public Works, Concurrent Financial Statement Audit of the Rehabilitation of the Rural Roads Project, Financed by USAID Grant Agreement No. 519-0449, through the Project Coordinator Unit, for the Quarter Ended December 31, 2000		
1-514-01-046-N	06/21/01	Concurrent Financial Statement Audit of USAID/Colombia Resources Under the Earthquake Reconstruction Program (Project No. 514-9005), Managed by Planning and Development Collaborative International – PADCO, for the Period January 18 through December 31, 2000	3	QC
1-517-01-047-N	06/21/01	The Cooperative Housing Foundation, Concurrent Financial Statement Audit of the Post-Hurricane Georges Housing Reconstruction Program in the Dominican Republic, USAID/DR Agreement No. 517-A-00-00-000102-00 for the Quarter Ended March 31, 2001		
1-522-01-048-N	07/11/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the National Autonomous Aqueduct and Sewage Service, Under Special Objective Grant Agreement No. 522-0410.03, "Hurricane Reconstruction Program," for the Period July 1 to September 30, 2000		
1-522-01-049-N	07/16/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the Agricultural Cooperative Development International/Volunteers In Overseas Cooperative Assistance, Under Grant Agreement No. 522-A-00-00-0205-00, "Reactivation of the Economy through Agricultural Credit and Technologies Activity," (REACT) Component of the Hurricane Reconstruction Program," for the Period October 29, 1999 to December 31, 2000	74 1	QC UN
1-522-01-050-N	07/16/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the Land O'Lakes, Under Cooperative Agreement No. 522-A-00-00-0240-00, "Reactivation of the Economy through Agricultural Credit and Technologies Activity," REACT Component of the Hurricane Reconstruction Program," for the Period January 28 to December 31, 2000	9 9	QC UN
1-524-01-051-N	07/20/01	Concurrent Financial Statement Audit of the USAID Resources Under Cooperative Agreement No. 524-A-00-00-00002-00, "Program of Agricultural Rehabilitation and Credit for Poor Families in the Hurricane Mitch Devastated Areas of Northern and Northwestern Nicaragua," Managed by the Catholic Relief Services for the Period October 1 to December 31, 2000	3	QC
1-514-01-052-N	07/20/01	Concurrent Financial Statement Audit of the USAID/Colombia Resources Under the Earthquake Reconstruction Program (Project No. 514-9005), Managed by Planning and Development Collaborative International—PADCO, for the Quarter Ended March 31, 2001	10	QC
1-520-01-053-N	07/20/01	Audit of the USAID Resources Managed by the Ministry of Agriculture, Livestock, and Food, through the International Center for Agriculture Preinvestment, Under Project 520-0433 "Special Objective: Rural Economy Recovers from Mitch and is Less Vulnerable to Disasters," January 1, 2001 to March 31, 2001	3	QC

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-522-01-054-N	07/27/01	Concurrent Financial Statement Audit of the USAID Resources Managed by Jose Maria Covelo Foundation in Honduras, Under Cooperative Agreement No. 522-A-00-00-00206-00, "Post Mitch Revitalization of the Micro-Finance Sector of Honduras," for the Period July 1 to September 30, 2000	43	QC
1-524-01-055-N	07/27/01	CARE International in Nicaragua, Concurrent Financial Statement Audit of the USAID Resources Under Award No. 524-A-00-00-00001-00 "Rural Infrastructure Rehabilitation (RIR)/Cash-for-Work (CFW)," for the Period October 1, 2000 to March 31, 2001		
1-519-01-056-N	08/17/01	The Ministry of Public Works, Concurrent Financial Statement Audit of the Rehabilitation of the Rural Roads Project, Financed by USAID Grant Agreement No. 519-0449, through the Project Coordinator Unit, for the Quarter Ended March 31, 2001		
1-522-01-057-N	09/14/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the Honduran Social Investment Fund, Under Special Objective Grant Agreement No. 522-0410.00 "Emergency and Reconstruction Roads and Bridges Project," Under the Hurricane Reconstruction Program, for the Period July 1 to December 31, 2000	2	QC
1-522-01-058-N	09/14/01	Concurrent Financial Statement Audit of the USAID Resources Managed by the National Autonomous Aqueduct and Sewage Service (SANAA), Under Special Objective Grant Agreement No. 522-0410.03, "Hurricane Reconstruction Program," SANAA Urban and SANAA Rural Water Components, for the Period October 1 to December 31, 2000		
1-522-01-059-N	09/17/01	Concurrent Financial Statement Audit of the USAID Resources Managed by Jose Maria Covelo Foundation of Honduras, Under Cooperative Agreement No. 522-A-00-00-00206-00, "Component for the Reactivation of the Economy Through Agricultural Credit and Technologies Activity," Under the Hurricane Reconstruction Program, for the Period October 1 to December 31, 2000	26	QC
4-656-01-007-N	04/24/01	Audit of USAID/Mozambique's P.L. 480 Title III Local Currency Accounts for Fiscal Periods 1995 – 1999		
4-621-01-008-N	07/27/01	Audit of the USAID/Tanzania's Local Currency Trust Fund for the Period February 1, 1998 to December 31, 2000		
5-492-01-002-N	06/04/01	Audit of USAID/Philippines Peso Trust Fund for the Period January 1, 2000 to December 31, 2000		
6-263-01-005-N	06/25/01	Audit of the Deposits and Releases of Funds from the Dollar Separate Accounts Under USAID/Egypt's Sector Policy Reform Programs		
6-263-01-006-N	06/27/01	Audit of Environmental Quality International, Costs Incurred Under USAID/Egypt Contract Nos. 263-C-00-92-00203-00 and 263-C-00-95-00078-00		
6-263-01-007-N	06/28/01	Audit of the Inflows and Releases of Funds from Local Currency Special Accounts Under USAID/Egypt's Commodity Import Programs and Sector Policy Reform Programs		
B-110-01-008-R	05/14/01	Audit of the Institute for Urban Economics in Moscow, Russia Under USAID Agreement No. 118-A-00-98-00168-00 for the Period from October 1, 1998 through December 31, 1999		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
B-650-01-009-R	06/18/01	Audit of Tierarzt ohne Grenzen e.V., in Hannover, Germany Under USAID Grant No. AOT-G-00-98-00187-00 for the Period from September 15, 1998, through December 31, 1999	1	BU
1-519-01-084-R	04/04/01	Audit of the Healthy Salvadorans Program, Financed with the USAID/El Salvador Grant Agreement No. 519-0430, Managed and Implemented by the Ministry of Public Health and Social Assistance, for the Period from April 1 to December 31, 1999	143	QC
1-527-01-085-R	04/10/01	Audit of Health Institutions Reinforcement Program; USAID/Peru Cooperative Agreement No. 527-A-00-99-00307-00; Managed by the Instituto de Alta Calidad de Atencion a la Salud, MAX SALUD; for the Period October 1 to December 31, 1999		
1-522-01-086-R	04/10/01	Audit of Municipal Development Program; USAID/Honduras Project No. 522-A-00-93-00324-00; Managed by the Foundation for Municipal Development; for the Year Ended December 31, 1999		
1-527-01-087-R	04/10/01	Audit of Health Institutions Reinforcement Program; USAID/Peru Cooperative Agreement No. 527-A-00-99-00307-00; Managed by the Instituto de Alta Calidad de Atencion a la Salud, MAX SALUD; for the Year Ended December 31, 2000		
1-527-01-088-R	04/10/01	Information and Education Center to Prevent Drug Abuse-CEDRO; Fund Accountability Statements Audit of the Projects USAID Component 2, Agreement No. 527-G-00-98-00262-00 (Quality Cacao Project), and Component 5, Agreement No. 527-A-00-98-0071-00 (Creation of a Conscience on Drug Use Project), and General Purposes Financial Statements Audit, for the Year Ended December 31, 1999		
1-521-01-089-R	04/10/01	Audit of Association des Oeuvres Privees de Sante, Including the Components of Health Systems 2004 (HS2004) – USAID/Haiti Project No. 521-0248; HNP Reproductive Health Training Program – UNFP Project No. HAI/98/PO4; and Other Funds, for the Year Ended December 31, 1999		
1-521-01-090-R	04/11/01	Enhancing Food Security II Project (USAID/Haiti Project No. 521-0258-C-00-6112-00), Managed by International Maritime Terminal, S.A., Fund Accountability Statement, for the Period from October 1, 1999 to September 30, 2000		
1-517-01-091-R	04/18/01	Housing and Water Sanitation Activity, USAID Grant Agreement No. 517-G-00-99-00210-00, Managed by Instituto Dominicano de Desarrollo Integral, Inc., Financial Statements for the Period January 26, 1999 to February 28, 2000 (Completion Date of the Project)	2	QC
1-527-01-092-R	04/20/01	Fund Accountability Statements Audit of the USAID/Peru Strategic Objective Grant Agreement No. 527-0368 “Improvement of Environmental Management in Selected Sectors,” Managed by National Environmental Council-CONAM, for the Period from January 1, 1998 to December 31, 1999		
1-520-01-093-R	04/20/01	Audit of the Cooperative Sub-Agreement and Implementation of the Post-Mitch Agriculture and Natural Resources Rehabilitation and Reconstruction, Managed by the Sub-Recipient Fundacion Solar, for the Period January 26 to June 30, 2000		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-520-01-094-R	04/20/01	Audit of the Cooperative Sub-Agreement and Implementation of the Post-Mitch Agriculture and Natural Resources Rehabilitation and Reconstruction, Managed by the Sub-Recipient Fundacion Defensores de la Naturaleza, for the Period January 14 to June 30, 2000		
1-520-01-095-R	04/20/01	Audit of the Cooperative Sub-Agreement and Implementation of the Post-Mitch Agriculture and Natural Resources Rehabilitation and Reconstruction, Managed by the Sub-Recipient Asociacion Share Guatemala, for the Period February 10 to June 30, 2000		
1-522-01-096-R	04/20/01	Audit of the Project Small Farmer Export Development; USAID/Honduras No. 522-0399; Managed by the Fundacion Hondurena de Investigacion Agricola, for the Year Ended December 31, 1999		
1-522-01-097-R	04/24/01	Fund Accountability Statement Audit of the USAID/Honduras Small Business II Project No. 522-0241.01, and Recovery of Small and Micro-Business Program No. 522-A-00-99-00047-00; Managed by the Foundation for the Promotion of Small and Microbusiness, Jose Maria Covelo; for the Year Ended December 31, 1999 (With Independent Auditors' Report Thereon)	43	QC
1-520-01-098-R	04/24/01	Audit of the Cooperative Agreement and Implementation of the Post-Mitch Agriculture and Natural Resources Rehabilitation and Reconstruction Project No. 520-A-00-99-00073-00, Managed by CARE Guatemala, for the Period August 10, 1999 to June 30, 2000	13	QC
1-522-01-099-R	04/30/01	Audit of USAID Project/Reproductive Health, Donation Agreement No. CA-522-A-00-97-00151-00, Managed by the Save the Children of Honduras Association, Fund Accountability Statement, from July 22, 1997 to July 31, 1999 (With the Independent Auditor's Report Thereon)		
1-511-01-100-R	04/30/01	Independent Auditor's Report, Technical Assistance Project for Political Reform, USAID/Bolivia Agreement No. 511-0616, Managed by the Social and Economic Analysis Unit, for the Period February 2, 1993 to September 30, 1999 (Project Closing Date)	25 25	QC UN
1-517-01-101-R	05/02/01	Potable Water and Sanitation Facilities Project, USAID Grant Agreement No. 517-G-00-99-00222-00, Managed by Instituto Dominicano de Desarrollo Integral, Inc., Financial Statements for the Period July 16, 1999 to April 30, 2000 (Completion Date of the Project)		
1-518-01-102-R	05/03/01	Audit of the "Centro sobre Derecho y Sociedad – CIDES Independent Auditors' Report on the Fund Accountability Statement of Agreement No. 518-0120-A-00-6181-00 Programa de Mejoramiento del Acceso a la Administracion de Justicia, Funded by USAID for the Period October 1, 1996 to December 31, 1998 and on the Financial Statements of the Center for the Years Ended December 31, 1997 and 1998"		
1-524-01-103-R	05/08/01	Audit of USAID Resources Managed by Fundacion CHISPA, Under Cooperative Agreement No. 524-A-00-99-00033-00, for the Year Ended June 30, 2000		
1-524-01-104-R	05/14/01	Fundacion CHISPA, Fund Accountability Statement Audit of the USAID/Nicaragua Cooperative Agreement No. 524-A-00-99-00041-00 "Sustainable Reconstruction Program for Certain Hurricane Mitch Affected Areas," for the Period August 3, 1999 to July 31, 2000		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-517-01-105-R	05/18/01	Audit of the Rural Electrification and Water Storage Project; USAID Agreement No. 517-G-00-96-00161-00; Managed by Fundacion de Apoyo al Suroeste; Financial Statements for the Period July 1, 1998 to April 30, 2000 and Independent Auditor's Report (Close-Out Audit)		
1-520-01-106-R	05/21/01	Audit of USAID Resources Managed by Asociacion Mujer Vamos Adelante in Coalition with Centro de Investigacion, Capacitacion, y Apoyo a la Mujer and Centro de Mujeres Mayas de Desarrollo Integral under Project No. 520-0424.20 Reducing Violence Against Women, for the Period September 29, 1999 through June 30, 2000		
1-527-01-107-R	05/31/01	Audit of the Coverage with Quality Project, Grant Agreement No. 527-0375 Between the Government of Peru (Ministry of Health) and the Government of the United States, for the Period July 1, 1997 to December 31, 1999		
1-596-01-108-R	06/01/01	Audit of the Support Project for the Participation of Central America in the Free Trade Area of the Americas Modernization of the Labor Market, USAID/G-CAP Project No. 596-0178.11, Managed by Secretariat for Central American Economic Integration, for the Period from Its Inception October 27, 1998 to December 31, 1999		
1-524-01-109-R	06/01/01	Audit of USAID Resources Managed by Asociacion Nicaraguense Pro-Derechos Humanos Under Cooperative Agreement No. 524-A-00-98-00023-00, for the Period from June 1, 1998 through January 31, 2000		
1-521-01-110-R	06/06/01	Fund Accountability Statement of the Forum 2000 Project, Managed by Centre Pour La Libre Entreprise et La Democratie, Under Cooperative Agreement No. 521-A-00-99-00074-00, for the Period September 23, 1999 to September 30, 2000		
1-517-01-111-R	06/07/01	Financial Close-Out Audit of Watershed Conservation of the Bajabonico River, USAID/Dominican Republic No. 517-0247-G-00-5193-00, Project Managed by Fondo Integrado Pro-Naturaleza, Inc., for the Period from May 19, 1995 to December 31, 1998		
1-520-01-112-R	06/07/01	Audit of the Small Coffee Farmer Improvement Program, USAID/ANACAFE Cooperative Agreement No. 520-0381-A-00-9637-00, Implemented by National Coffee Association – ANACAFE, for the Year Ended September 30, 2000		
1-517-01-113-R	06/08/01	Audit of the USAID/Dominican Republic Funds Supplied to the National Child Survival Consortium, Administered by the Foundation Against Hunger (Starvation), Under the Project No. 517-0247-G-00-4004-00 Child Survival Phase IV, for the Period from December 15, 1995 to October 15, 1996		
1-520-01-114-R	06/08/01	Financial and Compliance Audit of USAID/G-CAP Agreement No. 520-98-A-00-00037-00, Managed by Asociacion Pro-Bienestar De La Familia De Guatemala, for the Year Ending December 31, 2000		
1-519-01-115-R	06/21/01	Fundacion Empresarial Para el Desarrollo Educativo, Audit of USAID/El Salvador Donation Agreement No. 519-0401, Project to Support the Education Reform for the Social Sector, for the Year Ended December 31, 2000		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-522-01-116-R	06/21/01	Audit of the Funds Managed by the Advisory Center for Human Resources Development of Honduras Under the USAID Project Number 522-0388, Basic Education and Skill Training for the Period August 1, 1995 through December 31, 1998		
1-596-01-117-R	06/26/01	Audit of the Support Project for the Participation of Central America in the Free Trade Area of the Americas, USAID/G-CAP Project No. 596-0178.01, Implemented by Secretariat for Central American Economic Integration, for the Year Ended December 31, 1999	3	QC
1-517-01-118-R	06/26/01	Audit of the Participation of Organized Civil Society in the Democratization of Cultural and Political Practices in the Dominican Republic, Cooperative Agreement USAID Project No. 517-A-00-97-00107-00, Managed by Participacion Ciudadana, Financial Statements for the Period September 1, 1999 to August 31, 2000 and Independent Auditor's Report	1	QC
1-524-01-119-R	06/27/01	Audit of the USAID Resources Managed by Fundacion para el Apoyo a la Microempresa, Under Cooperative Agreement No. 524-A-00-99-00050-00, Project for Rapid Reconstruction and Sustainable Recovery in Hurricane Mitch-Affected Areas for the Period August 9, 1999 through August 31, 2000		
1-527-01-120-R	06/29/01	Audit of the Activities of the Commission of Fight Against Drugs Consumption – CONTRADROGAS Within the Framework of the Alternative Development Program – Amendment Number Two for the Period January 1, 1998 through December 31, 1999	66 1	QC UN
1-519-01-121-R	07/03/01	Audit of the Healthy Salvadorans Program, Financed with the USAID/El Salvador Grant Agreement No. 519-0430, Managed and Implemented by the Ministry of Public Health and Social Assistance, for the Year Ended December 31, 2000		
1-524-01-122-R	07/03/01	Audit of USAID Resources Managed by the Adventist Development and Relief Agency, Under Project No. 524-A-00-00-00012-00 "Reconstruction and Rehabilitation of Mitch-Affected Areas in Las Segovias and PL-480 Title II Program" for the Period October 1, 1999 to September 30, 2000		
1-521-01-123-R	07/13/01	Audit of the Fund Accountability Statements of USAID Grant Agreements No. 521-A-00-97-00042-00, "Urban Real Estate Formalization in Haiti" and LAG-A-0098-00047-00, "Property Formalization in Latin America," ECES Sub-Agreement No. 104-SA-01, "Formalization of Egypt's Urban Informal Sector," for the Period January 1 to December 31, 2000 and a General Purpose Financial Statements Audit of the "Institute for Freedom and Democracy," for Year Ended December 31, 2000		
1-522-01-124-R	07/13/01	Audit of Municipal Training and Development Program; Cooperative Agreement No. 522-A-00-95-00108-00, Managed by the Central American Technological University; December 31, 1999		
1-524-01-125-R	07/13/01	Asociacion Pro Bienestar de la Familia Nicaraguense (PROFAMILIA) (Managua, Nicaragua); Audit of USAID Resources Managed by PROFAMILIA Under Cooperative Agreement No. 524-G-SS-99-00013-00; Year Ended December 31, 2000		
1-520-01-126-R	07/17/01	Audit of the USAID/G-CAP Project No. 520-A-00-98-00013-00, Accord on the Rights and Identity of Indigenous Peoples-Human Capacity Development for the Period January 1 to December 31, 2000		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-524-01-127-R	07/17/01	Audit of the (USAID) Resources Managed by the International Federation of Red Cross Societies Under Grant No. 524-G-SS-99-00037-00, "Transitional Housing Project – Nicaragua," for the Period April 16, 1999 to August 31, 2000	27	QC
1-520-01-128-R	07/17/01	Audit of the Improved Regional Capacity to Mitigate Transnational Effects of Disaster Project, USAID Grant Agreement No. 596-0181.10, Managed by the Central American Integration System, for the Period January 1 to December 31, 2000		
1-521-01-129-R	07/19/01	Audit of the Civil Service Downsizing Retraining Program USAID/Haiti – Project No. 521-0222, Managed by Experts-Conseils Et Associes and Centre de Formation et D'Encadrement Technique, for the Period October 1, 1999 to September 30, 2000		
1-519-01-130-R	07/20/01	Salvadoran Demographic Association, Financial and Compliance Audit Report of the Sustainable Sexual and Reproductive Health Project, Financed by USAID Agreement No. 519-A-00-99-000-92-00, for the Period January 1 to December 31, 2000		
1-527-01-131-R	07/20/01	Audit of the Reproductive Health in the Community – REPOSALUD, Cooperative Agreement No. 527-A-00-95-00372-04, Managed by the Movimiento Manuela Ramos, for the Year Ended December 31, 1999	90 85	QC UN
1-524-01-132-R	07/20/01	Audit of the USAID Resources, Managed by Save the Children Nicaragua, Under Award No. 524-A-00-00-00021-00, "Basic Infrastructure, Economic Reactivation and Disaster Mitigation & Preparedness in Hurricane Mitch Affected Areas in Leon and Chinandega and PL-480 Title III Program," for the Period December 10, 1999 to December 31, 2000		
1-521-01-133-R	07/20/01	Health Systems 2004 USAID/Haiti Project No. 521-0248, Managed by Association Des Oeuvres Privees De Sante for the Period January 1, 2000 to June 30, 2000		
1-524-01-134-R	07/24/01	Audit of USAID Resources Under Cooperative Agreement No. 524-A-00-00-00024-00, Managed by CARE International in Nicaragua, for the Period December 21, 1999 to December 20, 2000		
1-596-01-135-R	07/27/01	Audit of the Modernization Project of the Ministries of Labor of Central America, Panama, and Belize, USAID/FUNPADEM Cooperative Agreement No. 596-A-00-98-00087-00, Implemented by the Foreign Service Foundation for Peace and Democracy, for the Year Ended December 31, 2000		
1-527-01-136-R	07/27/01	Audit of the COUNTERAIDS Support Project USAID Grant Agreement No. 527-0378 Managed through the Ministry of Health "AIDS-PROCETSS and Sexual Transmission Disease Control Program and the 2000 Project Special Unit," from January 1, 1998 to June 30, 2000		
1-527-01-137-R	07/30/01	Audit of USAID P.L. 480 Title II Monetization Program, Managed by Caritas Del Peru, for the Period October 1, 1999 to September 30, 2000		
1-517-01-138-R	07/30/01	Audit of USAID Program, AIDS and Sexually Transmitted Diseases Control Program-Procets' Institutional Strengthening Project No. 517-0276, Managed by the Departmental Coordinator of External Resources of the Technical Secretariat of the Presidency, for the Period September 1, 1998 to December 31, 1999		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-527-01-139-R	07/30/01	Audit of USAID Monetization Program P.L. 480, Title II, Managed by Technoserve Inc., for the Period October 1, 1998 to September 30, 1999	125	QC
1-521-01-140-R	08/01/01	Audit of Health Systems 2004, (USAID/Haiti – Project No. 521-A-00-00-00017-00), Managed by CENTRES POUR DEVELOPPEMENT ET LA SANTE, Fund Accountability Statement, for the Period November 1, 1999 to November 30, 2000		
1-517-01-141-R	08/02/01	Productivity and Income Enhancement for the Disadvantaged, USAID Cooperative Agreement No. 517-A-00-97-00019-00, Managed by Centro de Apoyo a la Micro y Pequena Empresa (CAMPE)/Instituto Tecnologico de Santo Domingo (INTEC), Financial Statements for the Year Ended December 31, 1999		
1-527-01-142-R	08/27/01	Audit of USAID Grant Agreement No. 527-348, Subgrant Agreement of Alternative Development Program Between the Commission to Fight Drugs and the Consejo Transitorio de Administracion Regional de Ucayali, for the Period March 10, 1998 to December 31, 1999	11 9	QC UN
1-511-01-143-R	08/28/01	Independent Auditor's Report Child Survival Coordination Program, Reproductive Health Project – Rural Component, USAID Cooperative Agreement Nos. 511-A-00-95-00028-00 and 511-A-00-98-00156-00, for the Period January 1 to December 31, 1999	158 137	QC UN
1-526-01-144-R	08/28/01	Audit of Fortalecimiento Institucional del CEPEP, Cooperative Agreement No. 526-A-00-99-00-00008-00, Managed by Centro Paraguayo de Estudios de Poblacion, for the Years Ended December 31, 1999 and December 31, 2000		
1-504-01-145-R	08/29/01	Audit of the Micro Enterprise Development Program, Managed by the Institute of Private Enterprise Development, Grant Agreement No. 504-A-00-00-00107-00, for the Period December 19, 1999 to November 30, 2000		
1-524-01-146-R	09/07/01	Cooperative League of the USA, Otherwise Referred to as National Cooperative Business Association, USAID Agricultural Restoration and Economic Reactivation Post-Mitch Project No. 524-A-00-00-00006-00; Fund Accountability Statement for the Period from July 1, 2000 to December 31, 2000		
1-527-01-147-R	09/13/01	Audit of Rural Roads' Rehabilitation and Maintenance Project, Implementation Framework Subagreement for the Alternative Development Program Signed by the Commission to Fight Drugs – CONTRADROGAS and the Rural Roads' Program Funded by USAID Under the USAID Special Objective Grant Agreement No. 527-0348, Managed by CONTRADROGAS; Fund Accountability Statement for the Year Ended December 31, 2000		
1-518-01-148-R	09/13/01	Audit of the "Sustainable Use of Galapagos Marine Resources, Project No. 518-0124" and "Biodiversity Conservation in the Galapagos Marine Reserve, Project No. 518-0126," Financed by USAID/Ecuador, Managed by the Charles Darwin Foundation for the Galapagos Islands, for the Periods January 1 to February 28, 1998 and March 1 to December 31, 1998	1	QC
1-521-01-149-R	09/14/01	Program for the Recovery of the Economy in Transition, USAID/Haiti Project No. 521-A-00-99-00073-00, Managed by Societe Financiere Haitienne de Developpement S.A., for the Period September 23, 1999 to September 30, 2000	5 5	QC UN
1-521-01-150-R	09/14/01	Audit of Child Health Institute Financial Statements, for the Period September 27, 1999 to December 31, 2000		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-656-01-038-R	04/02/01	Audit of IMPACTO, Proyectos e Estudios Ambientais, Under USAID Agreement No. 656-C-00-98-00066-00 for the Period from November 23, 1998 to December 31, 1999		
4-623-01-039-R	04/15/01	Audit of the Fresh Produce Exporters Association of Kenya Under USAID Grant Agreement No. 623-A-00-96-00035-00 for the Period July 1, 1998 to September 30, 2000	208 31	QC UN
4-617-01-040-R	04/04/01	Audit of the Psycho-Social Support Program for Children Affected by Armed Conflict in Northern Uganda, Under USAID Grant Agreement No. 617-G-00-99-00013-00 for the Year September 1, 1999 to August 31, 2000		
4-663-01-041-R	04/05/01	Audit of the Tigray Development Association, Basic Education System Overhaul Project, Under USAID Grant Agreement No. 663-0015-A-00-5010-00 for the Year Ended June 30, 1999		
4-623-01-042-R	04/26/01	Audit of the Association for Strengthening Agricultural Research in Eastern and Southern Africa Under Grant Agreement No. 623-A-00-G-98-00054-00 for the Period October 1, 1998 through December 31, 2000		
4-617-01-043-R	04/15/01	Audit of the AIDS Information Centre Under USAID Grant Agreement No. 623-0133-00-A-00-6007 for the Year Ended June 30, 1999		
4-663-01-044-R	05/15/01	Audit of the Ethiopian Orthodox Church Development and Inter-Church Aid Commission Covering Activities Funded Under USAID's P.L. 480 Title II Program for the Year Ended September 30, 1999	51	QC
4-690-01-045-R	05/14/01	Audit of the Rossing Foundation Under Grant Agreement 690-G-0-98-00138-00 Prepared by the Audit Firm Ernst & Young, Chartered Accountants, Windhoek, Namibia for the Period January 19, 1998 through July 31, 2000		
4-687-01-046-R	05/04/01	Audit of the International Rice Research Institute Covering USAID Funds Furnished Under Cooperative Agreement 687-G-00-98-00057-00 for the Year Ended December 31, 1999		
4-674-01-047-R	07/12/01	Audit of the National Institute for Economic Policy Under USAID Agreement No. 674-0318-G-SS-5040-00 for the Year Ended February 28, 1998		
4-674-01-048-R	06/15/01	Audit of the Land and Agriculture Centre Under USAID Grant Agreement No. 674-0301-G-SS-4099-02 for the Period January 1, 1998 to August 31, 1999	8 8	QC UN
4-674-01-049-R	06/15/01	Audit of the National AIDS Convention of South Africa Under USAID Agreement No. 674-0301-G-SS-4159-00 for the Period September 15, 1994 to September 30, 1998	152 13	QC UN
4-674-01-050-R	06/15/01	Audit of the M L Sultan Technikon Under USAID Agreement Nos. 674-0315-P-5067-08, 674-0315-P-5067-29, and 674-0315-P-5067-79 for the Period January 1, 1998 to December 31, 1998	3 3	QC UN
4-674-01-051-R	06/15/01	Audit of M L Sultan Technikon Under USAID Agreement Nos. 674-0315-P-5067-08, 674-0315-P-5067-29, 674-0315-P-5067-79 and 674-0315-P-5067-85 for the Period January 1, 1999 to December 31, 1999	10 10	QC UN
4-617-01-052-R	07/12/01	Audit of the AIDS Support Organisation Uganda Limited Under USAID Agreement No. 623-0133-A-00-6030-00 for the 18-Month Period Ended December 31, 1999		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-617-01-053-R	06/06/01	Audit of Aktion Afrika Hilfe e.V – Northern Uganda Food Security Project Under USAID Agreement No. 617-G-00-98-00005-00 for the Year Ended June 30, 2000		
4-617-01-054-R	06/06/01	Audit of FINCA Uganda Limited Under USAID Agreement No. 617-G-00-98-00009-00 for the Period October 2, 1998 to August 31, 2000		
4-000-01-055-R	05/15/01	Audit of the African Centre for the Constructive Resolution of Disputes Under USAID Grant Agreements No. 674-0301-A-00-6064-00 (6064) and AOT-G-00-97-00369-00 (00369) for the Year Ended December 31, 1998	59 59	QC UN
4-656-01-056-R	06/15/01	Audit of Action Contre La Faim Under USAID Agreement Nos. AOT-G-00-95-00070-00, AOT-G-00-97-00318-00, AOT-G-00-98-00082-00, AOT-G-00-97-00236-00, AOT-G-00-97-00258-00, AOT-G-00-98-00058-00, 656-0217-G-00-6004-00, AOT-G-00-98-00018-00, AOT-G-00-98-00206-00, AOT-G-00-94-00094-00, AOT-G-00-95-00225-00, AOT-G-00-97-00034-00 and AOT-G-00-97-00330-00, for the Period January 1, 1998 to December 31, 1998	7 6	QC UN
4-656-01-057-R	06/15/01	Audit of Action Contre La Faim Under USAID Agreement Nos. AOT-G-00-98-00161-00, AOT-G-00-00-00041-00, AOT-G-00-97-00318-00, AOT-G-00-98-00082-00, AOT-G-00-97-00236-00, AOT-G-00-00-00027-00, AOT-G-00-97-00258-00, AOT-G-00-98-00058-00, PRM 91128, 656-G-00-96-00004-00, AOT-G-00-98-00018-00, AOT-G-00-98-00206-00, AOT-G-00-00-00036-00, AOT-G-00-94-00094-00, AOT-G-00-95-00225-00, AOT-1006-G-00-6054-00, AOT-G-00-97-00330-00 and PRM 91074, for the Period January 1, 1999 to December 31, 1999	237	QC
4-674-01-058-R	07/15/01	Audit of the National Welfare, Social Service and Development Forum, Agreement No. 674-0301-G-SS-4153-04 for the 18 Months Ended September 30, 1999	16	QC
4-674-01-059-R	08/06/01	Audit of Project Literacy, Agreement No. 674-A-00-99-00027-00 for the Period April 1, 2000 through December 31, 2000		
4-617-01-060-R	07/15/01	Audit of Uganda Manufacturers Association, Agreement No. 617-0128-00-4001 for the Period September 24, 1994 to March 31, 1996	68 67	QC UN
4-617-01-061-R	08/06/01	Audit of the Uganda Women's Finance Trust Ltd Under USAID Grant Agreement No. 617-G-00-99-00009-00 for the Period April 28, 1999 to May 31, 2000		
4-663-01-062-R	08/16/01	Audit of the Relief Society of Tigray Under P.L. 480, Title II, Development Funds and Commodities for the Year Ended September 30, 1999		
4-663-01-063-R	08/16/01	Audit of the Relief Society of Tigray Under P.L. 480, Title II, Development Funds and Commodities for the Year Ended September 30, 2000		
4-663-01-064-R	08/16/01	Audit of Disaster Prevention and Preparedness Commission's Emergency Relief Program Under Transfer Authorizations 663-8681 and -8682 for the Period September 15, 1997 to June 30, 1999		
4-621-01-065-R	08/15/01	Audit of the Agricultural Transport Assistance Program Prepared by the Controller and Auditor General, Dar es Salaam, Tanzania Under USAID Project No. 621-0166		
4-617-01-066-R	08/20/01	Audit of the USAID Grant No. 617-G-00-99-00007-00 to Red Barnet-Uganda for the Reintegration and Rehabilitation of Children Affected by Armed Conflict in Northern Uganda Project, for the Period from April 8, 1999 to December 31, 1999		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
4-674-01-067-R	08/22/01	Audit of the Kutlwanong Civic Integrated Housing Trust Limited Under USAID Grant No. 674-G-00-00-00068-00 for the Period Ended March 31, 2000		
4-690-01-068-R	08/24/01	Audit of the Natural Resources Management Programme Under USAID Agreement No. 690-0251-A-00-6046-00 for the Year Ended December 31, 1999		
4-690-01-069-R	09/15/01	Audit of the Natural Resources Management Programme Under USAID Agreement No. 690-0251-A-00-6046-00 for the Year Ended December 31, 1998	1	QC
4-690-01-070-R	08/24/01	Audit of the Regional Networking and Capacity Building Initiative for Southern Africa Under USAID Agreement No. 690-0283-A-00-5950-00 for the Year Ended December 31, 1999		
4-690-01-071-R	09/15/01	Audit of the Regional Networking and Capacity Building Initiative for Southern Africa Under USAID Agreement No. 690-0283-A-00-5950-00 for the Period from October 1, 1997 to December 31, 1998	2	QC
4-674-01-072-R	08/31/01	Audit of the Informal Business Training Trust Under USAID Grant Agreement No. 674-0303-G-SS-2048-02 for the Year Ended March 31, 1996		
4-674-01-073-R	08/24/01	Audit of the Funda Community College Under USAID Grant Agreement No. 674-G-00-99-00022-00 for the 15-Month Period Ended March 31, 2001		
4-656-01-074-R	08/27/01	Audit of Africon Ltd. Under USAID Agreement No. 656-C-00-98-00064-00 for the Period from October 8, 1999 to March 5, 2001		
4-615-01-075-R	09/15/01	Audit of The Small and Micro Enterprise Program Under USAID Agreement No. 623-A-00-99-00056 for the Period July 1, 1999 to December 31, 2000	2	QC
4-612-01-076-R	08/31/01	Audit of Creative Centre for Community Mobilization Under USAID Agreement No. 612-G-00-00-00008-00 for the Period from November 1, 1999 to January 31, 2000 and USAID Agreement No. 690-A-00-00-0012-00 for the Period from February 1, 2000 to January 31, 2001		
5-497-01-026-R	04/03/01	Audit of USAID/Indonesia's Disbursements to Lembaga Penelitian, Pendidikan dan Penerangan Ekonomi dan Sosial Under Cooperative Agreement No. 497-0385-A-00-6030-00 and Award No. 497-A-00-98-00025-00	6 3	QC UN
5-492-01-027-R	04/04/01	Audit of Mondragon Foundation, Inc., Project of "Synchronizing and Harnessing Local Efforts for Sustainable Shelter Reform" for the Year Ended December 31, 1998. Grant Agreement No. 492-0470-G-SS-5128-00		
5-388-01-028-R	04/05/01	Audit of USAID/Bangladesh's PL-480 Title II Monetized Local Currency Program Under USAID Integrated Food for Development Project No. 388-0081 to CARE/Bangladesh for the Period July 1, 1996 to June 30, 1998	23 10	QC UN
5-388-01-029-R	04/06/01	Audit of USAID/Bangladesh's PL-480 Title II Monetized Local Currency Program Under USAID Integrated Food for Development Project No. 388-0081 to CARE/Bangladesh for the Period July 1, 1998 to June 30, 1999	1	QC
5-492-01-030-R	04/10/01	Audit of the Philippine Center for Population and Development, Inc. Under Grant Agreement Nos. 492-0480-G-SS-5025-00 and 492-0470-G-SS-5134-00		
5-383-01-031-R	04/19/01	Audit of Financial Statements of Terre Des Hommes, Grant No. 383-G-00-97-00223-00, Project (383-0119) and PVO Co-Financing Project (383-0101)		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
5-497-01-032-R	04/19/01	Audit of USAID/Indonesia's Disbursements to Yayasan Wahana Lingkungan Hidup Indonesia Under Grant Agreement No. 497-G-00-97-00036	15 15	QC UN
5-497-01-033-R	04/20/01	Audit of USAID/Indonesia's Disbursements to the Sustainable Indonesian Growth Alliance Under Cooperative Agreement No. 497-A-00-99-00005		
5-367-01-034-R	05/03/01	Audit of Agro Enterprises Center of the Federation of Nepalese Chambers of Commerce & Industry Under Grant Agreement No. 367-00-97-00117-00 for the Period September 9, 1997 to July 16, 1998	28 27	QC UN
5-497-01-035-R	05/11/01	Audit of Yayasan Lembaga Bantuan Hukum Indonesia Under Grant Agreement No. 497-G-00-97-00013	17 17	QC UN
5-386-01-036-R	05/21/01	Audit of Power Finance Corporation Limited Under the Energy Management Consultation and Training Project (No. 386-0517) for the Period April 1, 1999 to March 31, 2000		
5-492-01-037-R	06/08/01	Audit of the Gerry Roxas Foundation, Inc., Under Grant Agreement Nos. 492-G-00-97-00032-00 and 492-G-00-98-00044-00		
5-492-01-038-R	06/14/01	Audit of USAID/Philippines' Disbursements to the International Marinelife Alliance-Philippines Inc. Under Cooperative Agreement No. 492-A-00-97-00060		
5-388-01-039-R	06/20/01	Audit of USAID/Bangladesh's Disbursements to the Social Marketing Company Under the National Integrated Population and Health Program, Cooperative Agreement No. 388-A-00-97-00033-00		
5-492-01-040-R	07/03/01	Audit of the Notre Dame Foundation for Charitable Activities, Inc.'s Strategic Program for Enhancing Education and Development in Mindanao Under Grant Agreement No. 492-0470-G-SS-6074 for the Period September 23, 1996 to December 31, 1997	3 1	QC UN
5-492-01-041-R	07/10/01	Audit of USAID/Philippines' Disbursements to the Development of People's Foundation, Inc. Under Grant Agreement Nos. 492-0419-G-SS-0030-00, 492-0470-G-SS-3035-00, 936-5466-G-SS-5142-00	59 45	QC UN
5-367-01-042-R	07/11/01	Audit of Canadian Centre for International Studies and Cooperation for the Market Access for Rural Development Under USAID/Nepal Grant Agreement No. 367-G-00-97-00064-00		
5-386-01-043-R	07/12/01	Audit of the Voluntary Health Services, Under the AIDS Prevention and Control Project (No. 386-0525) for the Period April 1, 1999 to March 31, 2000	20	QC
5-367-01-044-R	07/13/01	Audit of Canadian Centre for International Studies and Cooperation for Women's Economic Empowerment Under USAID/Nepal Grant Agreement No. 367-G-00-97-00025-00		
5-386-01-045-R	07/13/01	Audit of the Industrial Development Bank of India Secretariat for the Energy Management Consultation and Training Project (No. 386-0517) for the Period April 1, 1998 to March 31, 1999		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
5-497-01-046-R	07/26/01	Audit of Yayasan Lembaga Konsumen Indonesia Under USAID/Indonesia's Grant Agreement No. AID-497-0385-G-00-6034-00 for the Period September 30, 1996 through January 31, 1999	100 99 1	QC UN BU
5-386-01-047-R	08/20/01	Audit of Industrial Credit & Investment Corporation of India Ltd. – Agricultural Commercialization of Enterprise Project Under Project No. 386-0521	13 13	QC UN
5-386-01-048-R	08/22/01	Audit of the National Institute of Urban Affairs – Financial Institutions Reform and Expansion Project Under Grant Agreement No. 386-A-00-99-00075-00		
5-388-01-049-R	08/27/01	Audit of the Bangladesh Small and Cottage Industries Corporation – Women Entrepreneurship Development Project Under Project No. 388-0082		
5-383-01-050-R	08/27/01	Audit of USAID/Sri Lanka Grant Agreement No. 386-G-00-97-00216 with the Hambantota Women's Development Federation Under the Microenterprise Support Activity of the Sustainable Economic Growth Project 383-0120		
5-492-01-051-R	08/31/01	Audit of the Evelio B. Javier Foundation, Inc. – Organizational Development Assistance to the League of Municipalities of the Philippines Under Grant Agreement No. 492-0471-G-SS-5079-00		
5-497-01-052-R	09/07/01	Audit of Yayasan Keanekaragaman Hayati Indonesia (Yayasan KEHATI) Under Cooperative Agreement No. 497-0384-A-00-5011-00		
5-492-01-053-R	09/10/01	Audit of USAID/Philippines Grant Agreement No. 492-0470-G-SS-5131-00 with the Philippine Business for Social Progress, Inc., for the Year Ended September 30, 1998		
5-492-01-054-R	09/10/01	Audit of USAID/Philippines Grant Agreements No. 492-G-00-97-0058 and 492-G-00-98-0031-00 with the Philippine Business for Social Progress, Inc., for the Year Ended September 30, 2000		
5-497-01-055-R	09/14/01	Audit of Lembaga Penelitian, Pendidikan dan Penerangan Ekonomi dan Sosial Under Cooperative Agreements No. 497-0385-A-00-6030-00 and No. 497-A-00-98-00025-00 for the Year Ended December 31, 1999	31	QC
5-442-01-056-R	09/14/01	Audit of the Association of Cambodian Local Economic Development Agencies Under Grant Agreement No. 492-G-00-97-00021-00	21	QC
6-263-01-012-R	05/02/01	Audit of USAID Resources Managed by the Schistosomiasis Vaccine Development Program, Implementation Letter Nos. 2 and 3, Under Result Package No. 263-0265.01		
6-263-01-013-R	05/23/01	Audit of USAID Resources Managed by the Ministry of Health and Population, Health Policy Support Program, Implementation Letter No. 2, Under Grant Agreement No. 263-0254		
6-294-01-014-R	05/24/01	Audit of USAID Resources Managed by the Palestinian Working Women Society Under the Women's Participation in Decision Making, a Grassroots Approach Project, Grant No. 294-97-00-A-0029-00		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
6-263-01-015-R	05/30/01	Audit of USAID Resources Managed by the Ministry of Agricultural Technology Utilization and Transfer Project Under Grant Agreement No. 263-0240, Project Implementation Letter Nos. 002, 003, and 004		
6-263-01-016-R	06/21/01	Audit of USAID Resources Managed by the Ministry of Health and Population Under Project Implementation Letter No. 2a of USAID/Egypt's Healthy Mother/Healthy Child Project No. 263-0242	4	QC
7-688-01-009-R	07/23/01	Audit of Local Currency Expenses Incurred by the "Office de la Haute Vallee du Niger" to Implement "Development of Haute Vallee" Project (No. 688-0233) and the Strategic Objective "Sustainable Economic Growth" Project (No. 688-0273) from January 1, 1997 through December 31, 1999	257 2	QC UN
7-680-01-010-R	07/31/01	Audit of USAID Resources Managed by Songhai Center, Benin, from January 1, 2000 through December 31, 2000 and of the Songhai Center Financial Statements for Calendar Year 2000, Project No. 680-0214		
7-641-01-011-R	08/24/01	Audit of USAID's Grant to Planned Parenthood Association of Ghana Under Agreement No. CA-641-A-00-00-00022 for the Period January 1, 2000 to December 31, 2000		
		-- Enterprise Funds --		
0-000-01-001-E	05/30/01	Audit of the Financial Statements for the Czech and Slovak American Enterprise Fund, for the Fiscal Years Ended September 30, 1999 and 1998, dated December 14, 1999		
0-000-01-002-E	05/22/01	Audit of the Financial Statements for the Years Ended September 30, 2000 and 1999 for the Czech and Slovak-American Enterprise Fund, dated December 11, 2000		
0-000-01-003-E	05/22/01	Audit of the Albanian American Enterprise Fund's Consolidated Financial Statements as of September 30, 1999, dated December 17, 1999		
0-000-01-004-E	05/17/01	Audit of the Consolidated Financial Statements and Office of Management and Budget Circular A-133 Supplemental Financial Reports as of September 30, 1999 and 1998 together with the Auditors Report for the Western NIS Enterprise Fund, dated November 16, 1999		
0-000-01-005-E	05/30/01	Audit of the Financial Statements and Final Report to Management for the Year Ended September 30, 1998, the Southern African Enterprise Development Fund		
0-000-01-006-E	05/23/01	Audit of the Financial Statements and Final Report to Management for the Year Ended September 30, 1999, the Southern Africa Enterprise Development Fund		
0-000-01-007-E	09/19/01	Baltic-American Enterprise Fund, Audit of Financial Statements, Report on Internal Controls and Report on Compliance for Fiscal Year Ended September 30, 1999		
0-000-01-008-E	09/19/01	Baltic-American Enterprise Fund, Audit of Financial Statements, Report on Internal Controls and Report on Compliance for the Fiscal Year Ended September 30, 2000		

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
0-000-01-009-E	09/25/01	Bulgarian-American Enterprise Fund, Audit of Financial Statements, Report on Internal Controls and Report on Compliance for the Fiscal Year Ended September 30, 2000		
0-000-01-010-E	09/28/01	Hungarian-American Enterprise Fund, Audit of Financial Statements, Report on Internal Controls and Report on Compliance for the Fiscal Year Ended September 30, 1999		
0-000-01-011-E	09/28/01	Hungarian-American Enterprise Fund, Audit of Financial Statements, Report on Internal Controls and Report on Compliance for the Fiscal Year Ended September 30, 2000		
		-- Quality Control Reviews --		
0-000-01-005-Q	09/21/01	Quality Control Review of the Audit of the Asia Foundation, Performed by Deloitte & Touche LLP for the Fiscal Year Ended September 30, 2000		
0-000-01-006-Q	08/03/01	Quality Control Review of the Audit of the National Democratic Institute for International Affairs, Performed by Grant Thornton LLP for the Fiscal Year Ended September 30, 2000		
0-000-01-007-Q	09/19/01	Quality Control Review of the Baltic-American Enterprise Fund for Fiscal Year Ended September 30, 2000, Conducted by PricewaterhouseCoopers, LLP		
0-000-01-008-Q	09/28/01	Quality Control Review of the Bulgarian-American Enterprise Fund for Fiscal Year Ended September 30, 2000		
0-000-01-009-Q	05/30/01	Quality Control Review of the Audit of World Learning, Inc. Performed by KPMG LLP for the Fiscal Year Ended June 30, 2000		
1-517-01-008-Q	04/24/01	Quality Control Review of the Financial Audit of the Resources of USAID, Managed by the Departmental Coordinator of External Resources of the Technical Secretariat of the Presidency, AIDS and Sexually Transmitted Diseases Control Program—PROCETS' Institutional Strengthening, USAID/Dominican Republic Project No. 517-0276, for the Period between September 1, 1998 and December 31, 1999		
1-514-01-009-Q	08/01/01	Quality Control Review of Three Concurrent Financial Statement Audits of USAID/Colombia Resources Under the Earthquake Reconstruction Program (Project No. 514-9005), Managed by Planning and Development Collaborative International, for the Period from January 18 through September 30, 2000; for the Period from January 18 through December 31, 2000; and for the Quarter Ended March 31, 2001		
1-520-01-010-Q	08/17/01	Quality Control Review of "National Coordinating Association of Peasant Organizations, IBIS-Denmark, Project Access to Land, Labor Rights and Organizational Strengthening, No. 1576/99, for the Period from July 1, 1999 to December 31, 2000" and "National Conference of Ministers of the Maya Spirituality of Guatemala Oxlajuj Ajpop, IBIS-Denmark, Project Organizational and Institutional Strengthening, Rescue and Promotion of Maya Spirituality, SM. SC. 10-99"		

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Financial Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
1-511-01-011-Q	09/13/01	Quality Control Review of Berthin Amengual & Asociados Audit Report and Working Papers Related to the Monetization Program, Financial Statements for the Period October 1, 1996 to September 30, 1999		
4-674-01-010-Q	05/30/01	Quality Control Review of a Recipient-Contracted Audit of the Business Linkages for Under-utilised Enterprises for the Period October 1, 1995 to September 30, 1997, Agreement No. 674-0303-A-00-5043-00		
4-674-01-011-Q	05/30/01	Quality Control Review of a Recipient-Contracted Audit of the Business Linkages for Under-utilised Enterprises for the Period October 1, 1997 to September 30, 1998, Agreement No. 674-0303-A-00-5043-00		
5-388-01-001-Q	04/04/01	Quality Control Review of A. Qasem & Co., Dhaka, Bangladesh		
5-492-01-002-Q	06/07/01	Quality Control Review of Diaz Murillo Dalupan, Cebu City, Philippines		
5-492-01-003-Q	07/10/01	Quality Control Review of SyCip Gorres Velayo & Co., Lanang Davao City, Philippines		
6-263-01-001-Q	05/06/01	Quality Control Review of Allied Accountants' Financial Audit of Egyptian Exporters Association's Expenditures Incurred Under the Growth through Globalization Results Package Under Cooperative Agreement No. 263-A-00-98-00004-00		
7-688-01-001-Q	07/24/01	Quality Control Review of the Financial Audit of USAID's Grant to the Malian Ministry of Basic Education Under the Basic Education Expansion Program No. 688-0258.00 for the Period October 1, 1996 through December 31, 1999		

TABLE A

Performance Audit Reports

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
A-000-01-001-P	05/14/01	Audit of USAID's Compliance with Internet Privacy Policies		
A-000-01-002-P	09/25/01	Audit of USAID's Compliance with the Provisions of the Government Information Security Reform		
B-121-01-006-P	06/28/01	Audit of USAID/Ukraine's Activity Monitoring System		
1-525-01-004-P	05/07/01	Audit of the Data Quality for USAID/Panama's Strategic Objective for Canal Watershed Management		
1-521-01-005-P	05/15/01	Audit of USAID/Haiti's Hurricane Georges Recovery Program	36	BU
1-522-01-006-P	07/18/01	Audit of USAID/Honduras' Hurricane Mitch Housing Reconstruction Activities		
1-524-01-007-P	07/20/01	Audit of USAID/Nicaragua's Agricultural Activities		
1-524-01-008-P	07/25/01	Audit of USAID/Nicaragua's Water and Sanitation Activities	136	BU
1-527-01-009-P	07/27/01	Audit of USAID/Peru's Family Planning Program		
1-520-01-010-P	08/16/01	Audit of USAID/Guatemala-Financed Agriculture Activities Under the Central America and the Caribbean Emergency Disaster Recovery Fund		
4-674-01-004-P	07/23/01	Audit of the Accuracy of USAID/South Africa's Recipient Audit Universe		
4-656-01-005-P	07/31/01	Concurrent Audit of USAID/Mozambique's Resettlement Grant Distribution Activity		
5-442-01-003-P	06/26/01	Audit of USAID's Placement of a Regional Office in Cambodia		
5-497-01-004-P	09/14/01	Audit of USAID/Indonesia's Democracy and Governance Program		
6-268-01-004-P	09/12/01	Audit of USAID/Lebanon's Recipient Audit Universe		
7-685-01-002-P	04/27/01	Audit of USAID/Senegal's Recipient Audit Universe		
7-675-01-003-P	05/04/01	Audit of USAID/Guinea's Recipient Audit Universe		
9-611-01-004-P	09/17/01	Audit of USAID/Zambia's Monitoring of the Performance of Its HIV/AIDS Program		
9-000-01-005-P	09/27/01	Audit of Performance Monitoring for Indicators Appearing in Selected USAID Operating Units' Results Review and Resource Request Reports		
9-000-01-006-P	09/28/01	Audit of USAID's Monitoring of Interagency Arrangements with the Department of State and Other Federal Agencies	30,500	BU

BU - Better Use of Funds

QC - Questioned Costs

UN - Unsupported Costs

Note: UN is part of QC

TABLE A

Miscellaneous Report

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
6-278-01-001-S	07/16/01	Survey of USAID-Financed Assistance to Jordan		

TABLE B

**AUDIT REPORTS OVER SIX MONTHS OLD
WITH NO MANAGEMENT DECISION**
As of September 30, 2001

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
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NOTHING TO REPORT.

SIGNIFICANT AUDIT RECOMMENDATIONS DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS WITHOUT FINAL ACTION

As of September 30, 2001

USAID

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
A-000-97-008-P	USAID's Compliance with Federal Computer Security Requirements	09/30/97	2.2	09/30/97	09/03
			2.4	09/30/97	09/03
			2.5	09/30/97	09/03
0-000-98-001-F	USAID's Financial Statements for FY 1997/96	03/02/98	5	03/31/99	12/02
			7.1	03/31/99	12/02
			9.1	03/02/98	12/01
			9.2	03/02/98	12/01
			9.3	03/02/98	12/01
0-000-99-001-F	USAID's Financial Statements, Internal Controls, and Compliance for FY 1998	03/01/99	1.1	03/01/99	03/02
0-000-99-002-F	Report to USAID Managers on Selected USAID Internal Controls	03/31/99	10.2	07/01/99	12/02
0-000-99-005-F	Acordia Healthcare Solutions, Inc.	03/26/99	2.1	07/14/00	12/01
			2.2	07/14/00	12/01
A-000-99-002-P	Access and System Software Security Controls Over the Mission Accounting and Control System	12/31/98	1	12/31/98	01/02
0-000-00-003-F	USAID Advances and Related Internal Controls for FY 1999	02/01/00	3	09/12/00	03/02
			4	09/12/00	03/02
5-386-00-003-P	USAID/India's Innovation in Family Planning Services Program	08/14/00	1	08/14/00	11/01
A-000-00-003-P	USAID's Actions to Correct Financial Management System Planning Deficiencies	08/24/00	1.1	08/24/00	09/02
			1.2	08/24/00	09/02
			3	11/22/00	11/01
5-388-01-001-P	USAID/Bangladesh's Child Survival Activities	12/22/00	2.1	01/26/01	10/01
			2.2	01/26/01	10/01
			3.1	12/22/00	12/01
			3.2	12/22/00	12/01
			3.3	12/22/00	12/01

TABLE C

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
			3.4	12/22/00	12/01
			4.2	12/22/00	10/01
0-000-01-005-F	USAID's Fund Balance with the U.S. Treasury & Related Internal Controls (FY 2000)	02/15/01	1.1	02/15/01	02/02
			1.2	02/15/01	02/02
			2	02/15/01	09/02
B-186-01-003-P	USAID/Romania's Performance Monitoring for Indicators	02/26/01	1	02/26/01	02/02
			2	02/26/01	02/02
			3	02/26/01	02/02
			4	02/26/01	02/02
			5	02/26/01	02/02
			6	02/26/01	02/02
6-263-01-003-P	USAID/Egypt's Performance Monitoring for Indicators Appearing in the FY 2002 R4 Report	03/20/01	1	03/20/01	12/01
			2	03/20/01	12/01
B-186-01-005-P	USAID/Romania's Recipient Audit Universe	03/20/01	1	03/20/01	03/02
9-000-01-003-P	USAID's Cargo Preference Reimbursements Under Section 901d of the Merchant Marine Act of 1936	03/30/01	1	03/30/01	12/01
			2	03/30/01	12/01
			3	03/30/01	12/01
			4	03/30/01	12/01
			5	03/30/01	12/01
			6	03/30/01	12/01
			7	03/30/01	12/01

FOUNDATIONS

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
9-ADF-01-002-P	Selected Processes at the African Development Foundation	02/26/01	1	06/14/01	02/02
9-IAF-01-001-P	Selected Processes at the Inter-American Foundation	02/26/01	1	02/26/01	02/02
			2	02/26/01	02/02

TABLE C

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
0-ADF-01-008-F	African Development Foundation's Financial Statements, Internal Controls & Compliance (FY 2000)	03/21/01	1.1	03/21/01	02/02
			1.2	03/21/01	02/02
			1.3	03/21/01	02/02
			2.1	03/21/01	02/02
			2.2	03/21/01	02/02
			3	03/21/01	02/02
0-IAF-01-009-F	Inter-American Foundation's Financial Statements, Compliance, & Internal Controls (FY 2000)	04/02/01	1.1	04/02/01	02/02
			1.2	04/02/01	02/02
			1.3	04/02/01	02/02
			2	04/02/01	02/02
			3.1	04/02/01	02/02
			3.2	04/02/01	02/02
			4	04/02/01	02/02
			5.1	04/02/01	02/02
			5.2	04/02/01	02/02
			5.3	04/02/01	02/02
			5.4	04/02/01	02/02
			6.1	04/02/01	02/02
			6.2	04/02/01	02/02
			6.3	04/02/01	02/02
			6.4	04/02/01	02/02

TABLE D

**REPORTS ISSUED WITH QUESTIONED AND
UNSUPPORTED COSTS
April 1, 2001 through September 30, 2001**

(Dollars in Thousands)

REPORTS	NUMBER OF AUDIT REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS¹
For which no management decision had been made as of April 1, 2001	34	\$2,814 ^{2,3}	\$1,171 ²
Add: Reports issued April 1, 2001 through September 30, 2001	71	\$4,365 ⁴	\$1,107 ⁴
Subtotal	105	\$7,179	\$2,278
Less: Reports with a management decision made April 1, 2001 through September 30, 2001	75 ⁵	\$5,088 ^{6,7}	\$1,887 ⁶
For which no management decision had been made as of September 30, 2001	31	\$2,091 ⁸	\$ 395 ⁸
For which no management decision was made within six months of issuance	0	\$0	\$0

¹Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).

²The ending balance at March 31, 2001, for Questioned Costs totaling \$2,810,522 was increased by \$3,077 to reflect adjustments in the finding amounts of recommendations contained in two reports; the ending balance at the same period for Unsupported Costs of \$1,171,046 was unchanged.

³Amounts include \$1,233,856 in Questioned Costs for audits performed for the OIG by other federal audit agencies.

⁴Amounts include \$979,329 in Questioned Costs and \$1,047 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

⁵Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal. Some audit reports counted here are again counted in the figure below it.

⁶Agency Officials disallowed \$2,876,738 in Questioned Costs (\$404,096 in Unsupported Costs) cited in 58 reports. Agency Officials did not sustain \$2,210,834 in Questioned Costs (\$1,483,277 in Unsupported Costs) cited in 37 reports.

⁷Amounts include \$1,364,828 in Questioned Costs for audits performed for the OIG by other federal audit agencies.

⁸Amounts include \$848,357 in Questioned Costs and \$1,047 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

**REPORTS ISSUED WITH RECOMMENDATIONS THAT
FUNDS BE PUT TO BETTER USE
April 1, 2001 through September 30, 2001**

REPORTS	NUMBER OF AUDIT REPORTS	DOLLAR VALUES
For which no management decision had been made as of March 31, 2001	1	\$ 8,060,293
Add: Reports issued April 1, 2001 through September 30, 2001	5	\$30,674,350 ¹
Subtotal	6	\$38,734,643
Less: Reports with a management decision made April 1, 2001 through September 30, 2001	4 ²	\$ 8,232,621 ³
For which no management decision had been made as of September 30, 2001	3	\$30,502,022
For which no management decision was made within six months of issuance	0	\$0

¹ A finding adjustment of \$277 was added during the period to the total issued amount of \$30,674,073.

² Unlike the monetary figure of this row, this figure is not subtracted from the subtotal.

³ Agency Officials agreed with \$172,328 in actions cited in three reports and Agency Officials did not agree with \$8,060,293 in actions cited in one report.

TABLE F

OIG STATISTICAL SUMMARY

As of September 30, 2001

INVESTIGATIVE ACTIONS

WORK LOAD			CIVIL	
CASES PENDING (04/01/01)	135		CIVIL REFERRALS	0
CASES OPENED	72		COMPLAINTS	0
CASES CLOSED	80		JUDGEMENTS/RECOVERIES	0
CASES PENDING (3/31/01)	127		SETTLEMENTS	0
CRIMINAL			ADMINISTRATIVE	
PROSECUTIVE REFERRALS	5		REPRIMANDS	2
PROSECUTIVE DECLINATIONS	4		PERSONNEL SUSPENSIONS	4
INDICTMENTS	8		RESIGNATIONS/ TERMINATIONS	20
CONVICTIONS	9		OTHER ADMINISTRATIVE ACTIONS	2
FINES	1		RECOVERIES	9
RESTITUTIONS	0		SUSPENSIONS / DEBARMENTS	2
			SAVINGS	0

INVESTIGATIVE RECOVERIES AND SAVINGS

JUDICIAL RECOVERIES	\$53,000,000
ADMINISTRATIVE RECOVERIES	\$789,284
SAVINGS	\$0
TOTAL INVESTIGATIVE RECOVERIES AND SAVINGS	\$53,789,284

The Hotline

The purpose of the OIG Hotline is to receive and resolve complaints of fraud, waste or abuse in USAID programs and operations, including mismanagement or violations of law, rules or regulations by USAID employees or program participants. The OIG also provides oversight services to the Inter-American Foundation (IAF), the African Development Foundation (ADF), and upon request, to the Overseas Private Investment Corporation. Complaints may be received directly from USAID, IAF or ADF employees, contractors, or the general public. Matters that are not within the purview of the OIG are referred to other agencies or to management and handled in accordance with USAID administrative procedures.

During this reporting period, the OIG received 593 hotline contacts. Of these, 22 cases were initiated, 13 actions were referred for management resolution, 6 actions were held pending review or additional information, 39 actions were referred to other law enforcement agencies, and 1 action was referred to the Department of State. The remaining contacts were solicitations for money, advertisements, or requests for general information or other non-OIG related matters.

The Inspector General Act and other pertinent laws provide for the protection of persons making Hotline complaints. Individuals have the option of submitting their complaints via the Internet, telephone, or the U.S. mail. If persons elect to submit their complaints via the Internet, they waive confidentiality due to the non-secure nature of Internet electronic mail systems.

Hotline Phone Number – 800-230-6539 or 202-712-1023

**Hotline Address – USAID/IG/I
P.O. Box 657
Washington, DC 20044-0657**

Hotline Email Address – IG.HOTLINE@USAID.GOV

